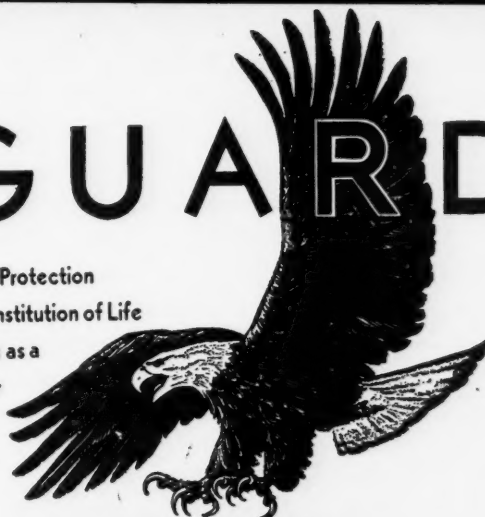


# The NATIONAL UNDERWRITER

Life Insurance Edition

## ON GUARD

★ Just as the American Eagle symbolizes Protection for our national liberties, so does the institution of Life Insurance stand in these troubled times as a symbol of Strength and Protection for millions of American homes.



### 47th ANNUAL STATEMENT

as of DECEMBER 31, 1941

At December 31, 1941 . . .		ASSETS
The Company owned cash, securities and investments as follows:		
Cash in Banks . . . . .		\$ 1,766,414.57
Federal Government—Direct or Fully Guaranteed Obligations . . . . .		25,541,170.95
Federal Land Bank . . . . .		4,012,010.82
BONDS { State, County, Municipal and School . . . . .		25,454,407.81
Railroad, Public Utility and Others . . . . .		114,688.50
On Farm Properties . . . . .		14,679,356.64
On City Properties . . . . .		7,295,677.95
F. H. A. Loans on City Properties . . . . .		13,132,343.78
(Insured and Guaranteed by U. S. Government)		
Accrued Interest on Investments . . . . .		1,545,388.10
Loans on Policies . . . . .		20,190,351.22
Net Premium Payments Deferred and in Course of Collection . . . . .		2,978,405.29
Contracts of Sale of Real Estate . . . . .		1,112,314.06
Farm Properties Owned . . . . .		5,225,482.54
City Properties Owned . . . . .		3,447,689.70
Home Office Building . . . . .		1,341,517.24
So that its Total Net Admitted Assets were . . . . .		\$130,837,229.17

At December 31, 1941 . . .		LIABILITIES
The Company's Legal Reserve, that is, the amount of future policy payments for which the Company has already received its money, amounted to . . . . .		
Claims Incurred by Death under policies for which proofs have not been filed or completed . . . . .		\$120,006,178.73
Claims Due and Unpaid were . . . . .		494,416.84
Dividends Payable on Policies amounted to . . . . .		NONE
Interest and Premiums Paid in Advance of their due date totaled . . . . .		1,276,933.39
Taxes Payable in 1942 will require . . . . .		1,187,362.72
And Other Expenses Accrued but not yet payable were . . . . .		280,000.00
So that total of Company's Obligations or Liabilities was . . . . .		104,157.74
All of the Company's funds in excess of the total of its liabilities are held for the additional protection and security of its Policyholders, and consist of:		\$123,349,049.42
Surplus Unassigned . . . . .		6,488,179.75
Paid-Up Capital . . . . .		1,000,000.00
Total . . . . .		\$130,837,229.17
Paid Policyholders and Beneficiaries in 1941 . . . . .		\$4,052,208.27
Increased Insurance in Force in 1941, to an all-time high of . . . . .		\$502,590,872.00
Paid Policyholders and Beneficiaries since organization in 1895 . . . . .		\$137,500,000.00
Surplus Assets to Protect Policyholders Increased to . . . . .		\$7,488,179.75
Number of Policyholders Increased to the largest in the Company's history . . . . .		276,882

The institution of Life Insurance serves our nation during peace time in the development of peaceful enterprises. In time of war the same institution gives full financial support to our nation for war purposes. So through the years Life Insurance funds are used for the development and defense of the nation as well as the protection of the American Home. The part the Kansas City Life has taken in this service to our nation and its people has been made possible by the confidence of the thousands of our policyholders. This confidence is reflected in the growth and progress of the Company as shown in this 47th Annual Financial Statement.

*W. R. R. R.*  
President

## KANSAS CITY LIFE INSURANCE CO.

HOME OFFICE ★ KANSAS CITY, MISSOURI

FRIDAY, FEBRUARY 13, 1942



## Helping Your Country with Both Hands

**W**HEN YOU sell low premium Life insurance, such as the Travelers LX or TX-20, to the man who needs more protection for his family and urge him to apply his savings to a systematic monthly purchase of Defense Bonds, you are helping your country with both hands. The more premiums received by the insurance companies, the more U. S. Government bonds they can buy. And, of course, the money that you can direct into Defense Bonds helps to build the planes, tanks and ships that we need to win the war.

**THE TRAVELERS INSURANCE COMPANY**

HARTFORD, CONNECTICUT



# The NATIONAL UNDERWRITER

Forty-sixth Year—No. 7

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, FEBRUARY 13, 1942

\$3.00 Year, 15 Cents a Copy

## Bill Offered to Cover Civilian Victims of Attack

### Pepper Measure Tied to Federal, State Workers Compensation Systems

WASHINGTON — Legislation providing compensation for all civilians killed or injured as a result of enemy attack was introduced in Congress Feb. 10 by Senator Pepper of Florida and immediately assigned for hearings before the committee on education and labor.

The bill is a companion measure to the legislation setting up the War Damage Corporation to insure property risks, which was passed by the senate and is due to come up in the house Feb. 16.

#### Provisions of Bill

The Pepper bill provides that any employee engaged upon any defense construction work who might sustain loss of life would be entitled to benefits equivalent to what any federal employee would now receive in case of injury sustained in the course of his work. Any other person who might sustain injury from enemy attack while working would receive the same amount as would such person if injured in the due course of employment under the workmen's compensation laws. The amount would be the same as would be received for a similar injury under the compensation law for the state where such person is employed.

If any person were injured by enemy attack while away from the usual place of employment or at home, he would receive the benefits which now are paid by the federal government to anyone employed by the Emergency Relief Administration who sustains an injury in the course of employment. In the case of persons who are unemployed, a minimum of \$25 a month would be provided.

#### Medical, Hospital Expenses

In addition any person sustaining injury would receive funds sufficient to cover all medical and hospital care, beyond and in addition to the benefit payments. Death benefits in no case would be substantially less than \$5,000 and would more likely be nearer \$7,500 per person, Senator Pepper figured.

"The virtue of the bill is that it provides for the use of the federal employees compensation commission and the workmen's compensation laws of the several states," the Senator said. "These bodies have a scale of payments already set up for any kind of injury or death. They have laws under which they carry on and a tradition of meeting hazards. I believe, therefore, that this is the most economical and at the same time the most effective machinery through which the compensation of civilians sustaining injury from enemy attack might be carried out."

## Ford Drops Huge Group Cover

### Annual Premiums Were \$3,000,000—Union Seeks Substitute Plan

Group insurance people were extremely interested and dismayed by the announcement of the Ford Motor Company that it had abandoned its huge group insurance plan which has been handled by Travelers. The belief is that the decision was made personally by Henry Ford himself. This is by far the biggest loss ever suffered in the group field. Occasionally group risks are shifted from one company to another and there are some losses due to mergers, companies going out of business, etc., but very few employers ever drop the coverage cold, and group men say that a major risk has never discontinued its plan.

It is understood that the United Auto Workers-C. I. O. has invited group companies to submit proposals for reinstating the insurance with the union replacing the employer. While labor union business is usually eschewed by group writers, it appears that there is active interest in trying to work out a plan here, and it appears that Travelers is pursuing the case.

#### John Gillespie Is Active

R. T. Johnson, Detroit manager of Marsh & McLennan, was publicized at the time as the man who arranged the Ford case. Reports from Detroit now refer to John Gillespie of M. & M. in Detroit as negotiating with the union for new cover. The union has delegated a committee to handle the case.

Some of the improvements which Mr. Gillespie says are being considered are extension of the group illness and hospitalization coverage to include families of the workers. The life policies under the Ford plan totaled \$1,500 each for more than 125,000 employees. Annual premiums paid by the men were nearly \$3,000,000. The face amount of life insurance was about \$200,000,000. There was also \$15 weekly accident and health benefits plus hospitalization and surgical coverage.

#### Interest in Significance

Those in the group insurance business generally are very much interested in the Ford case and are trying to ascertain whether it has any deep seated significance. There is particular interest in whether labor unions are seeking to take the management of group insurance plans from the hands of the employer and make the unions the administrators.

At the instance of labor representatives, legislatures in practically all states a few years ago included in the definition of group insurance a provision for permitting cover to be extended to members of labor unions. Such provision appears in the Michigan law along with provisions for insuring associations of teachers and also of postal clerks.

There are a number of reasons why groups of labor union employees have not been regarded as satisfactory by the group writing companies. The pivotal

(CONTINUED ON PAGE 19)

## Zimmerman May Go to Washington in Federal Post

Charles J. Zimmerman, past president of the National Association of Life Underwriters, who during the last illness of R. B. Hull of that organization, and since his death, has been serving as the principal contact man in Washington, this week admitted the possibility that he might accept a government post in Washington.

Mr. Zimmerman stated he has had conversations with U. S. officials, but that he could not now disclose the nature of the functions which he might be called to discharge. It is possible he would be a coordinator, or a liaison agent between the life insurance institution and the government.

#### Has Received an Offer

It is understood that he already has had an opportunity to accept a federal post, but apparently was not satisfied that the functions outlined would permit him to be of the greatest usefulness in the emergency.

"I think there is a job in Washington which should be done for the life insurance business and for the government," Mr. Zimmerman said.

"There may come up in Washington a type of job which I can do. If that opportunity offers it would be my duty to accept. It is purely a question where I best can serve the country. I would not accept unless I could satisfy myself that I could serve there better than where I am now."

In event Mr. Zimmerman goes to Washington, he would take a leave of absence from his general agency in Chicago of Connecticut Mutual Life for the duration of the emergency.

#### Will Not Desert Business

"But I have absolutely no intention of leaving the life insurance business," Mr. Zimmerman assured. "Also, I have no present intention of going into any life company home office, although I have had some offers. I might go into the service, but I feel that there is some place in which I could be more useful than carrying a rifle. That can be better done by younger men. My present intentions are to remain in the agency."

Mr. Zimmerman made a very strong impression on government officials by his statements as a witness in the TNEC investigation of life insurance. Since then he has maintained close contact with Washington affairs and has had a large share in the definite progress the National association has made in building up a friendly basis with the Treasury, Security Board, House ways and means committee, and other divisions of government. A much better understanding of mutual problems has resulted.

#### Effect on Inflation Stressed

Through National association activities in Washington, in cooperation with other life insurance organizations, federal officials have been made to realize how powerful a factor the life insurance institution is and can be in helping to control inflation, in aiding the financing of national defense, and in helping to build and maintain a high morale throughout the nation. It is presumed if Mr. Zimmerman is called

## N.A.L.U. Assails Naming of Federal Banks as Agents

### Statement Prompted by N. Y. Appointment—Seeks to Halt Further Moves

NEW YORK—A statement of principles by the National Association of Life Underwriters regarding the licensing of national banks as agents for life companies has been sent by President John A. Witherspoon to the presidents and agency officers of all companies.

The matter had been studied by the committee on federal law and legislation under C. J. Zimmerman of Chicago as chairman.

The association records its unequivocal opposition "to the encroachment of banks into the field of life insurance, whether these be savings banks or national banks."

"Such an action," the N. A. L. U. statement declares, "is opposed to the best interests of the American agency system, which has contributed in a large measure to building the institution of life insurance to its present stature. The fundamental idea of the 'over-the-counter' sale is diametrically opposed to the underwriter-client relationship which the agency system has striven so steadily over the years to build up."

#### Cites Banking Act Provision

The statement acknowledges the right of a national bank to be licensed by a life company to accept life insurance applications under Section 92, Title 12 of the national banking act, if it operates in a town of less than 5,000. The National association, it continues, "wishes to go on record as being in complete opposition to any extension of this practice, particularly in metropolitan areas, even though the actual community in which the bank is situated is in itself small."

On Dec. 1 a national bank very close to the metropolitan New York area was licensed by a life company to accept applications and give advisory services. It received authorization from the controller of the currency.

The association stated it is opposed in principle to the encroachment of savings banks or national banks.

Such an action is opposed in spirit to the purpose of the agency practices code, which aims at the elimination of the unfit agent and the part-timer. The bank's "insurance representative" might well be unfit and a part-timer. If he

(CONTINUED ON PAGE 22)

to Washington duty he will be concerned with these large aspects.

He has shown a rare ability so far in these contacts and has the confidence and respect of agents and company officials, as well as state insurance commissioners.

# Companies Show 1941 Statements

## METROPOLITAN LIFE

Metropolitan Life ended 1941 with life insurance in force totaling \$25,433,226, 148 and accident and health policies in force equal to \$1,634,617,475 in principal sum benefits and \$25,997,024 weekly benefits. Both the amount of insurance and the number of policyholders, more than 29,400,000, are new peaks. During the year assets increased \$290,255,559 to reach a year-end total of \$5,648,047,196. This amount includes statutory policy reserves of \$5,189,988,752; special surplus funds of \$7,190,000; unassigned funds or surplus of \$340,894,142, and reserve for dividends payable to policyholders in 1942 amounting to \$109,974,302, a decrease of about \$2,500,000 as compared with last year.

Of the dividend total, ordinary policyholders will receive \$46,067,802, industrial policyholders \$48,339,000; group policyholders, exclusive of accident and health, \$11,150,000; and accident and health policyholders, \$4,417,500.

During 1941 Metropolitan paid to policyholders and their beneficiaries \$567,941,290, classified as follows: ordinary, \$240,004,367; industrial, \$248,480,197; group, \$55,682,912; accident and health, \$23,773,094. In addition to these direct payments, more than \$240,000,000 was added to statutory reserves.

Life insurance paid for during 1941 amounted to \$2,012,039,448, divided into ordinary, \$1,144,477,592; industrial, \$649,356,789; group, \$218,205,067; bringing the totals in force in each department to \$12,915,903,113 ordinary; \$7,698,263,468 industrial; and \$4,819,059,567 group. The 1941 lapse rate was the lowest in Metropolitan's history.

## JOHN HANCOCK MUTUAL

John Hancock Mutual passed the 5 billion dollar mark in insurance in force in 1941. An increase of \$464,746,466 in 1941, which compared with an increase of \$263,139,806 in the previous year, brought the total to \$5,078,564,528, the highest in history.

The gain in assets was \$112,128,733, making a total of \$1,166,498,365. The market value of the bonds is more than \$39,000,000 greater than their amortized value used for asset figures.

Payments to policyholders and beneficiaries amounted to \$99,267,900.27, or \$329,793 per business day.

Dividends on ordinary policies for 1942 will continue at the rate adopted in 1937. The same general formula is continued in effect for dividends on retirement annuities and group policies. The amount set aside for dividends in 1942 is \$23,658,802.37, an increase of \$1,461,912 over the amount for 1941.

The general surplus is \$98,581,330, which is 9.23 percent of the liabilities.

The mortality experience continued to be favorable for all classes of business and was lower in 1941 than it has ever been in any previous year.

## NEW ENGLAND MUTUAL

Insurance in force and assets of the New England Mutual Life increased again during 1941 to new high levels in its history.

Increase in insurance in force in 1941 was \$51,833,000, bringing the total to \$1,658,000,000, nearly 38 percent more than at the end of 1929. New insurance of \$125,632,000 was issued, gain 12 percent over 1940. The median age of those insured under the 31,934 new policies issued was 31 years.

Payments to policyholders and beneficiaries totaled \$35,219,000. Of this amount, \$13,081,000 represented death claims. The 1941 scale of dividends will be maintained for the full year 1942.

Mortality experience was the most favorable in its history, being 43 percent with an average of 49 percent for the past five years.

It is significant that policies termi-

nated in advance of maturity, by surrender or lapse, amounted to only 2.31 percent of the mean amount of insurance in force during 1941, an extremely low level and only about one-third of that in 1932.

## Comment on Investments

Assets increased \$34,261,000 to \$535,967,000. Unassigned surplus was \$19,004,000, exclusive of \$8,850,000 voted for dividends in 1942 and \$3,000,000 set up as a special real estate and mortgage fund.

"Conditions affecting securities in general have required analysis and an appraisal of trends more intensive and searching than ever before, which is reflected in changes in the company's investment portfolio," President Smith reported. Holdings of government bonds increased over \$10,000,000 to a total of \$103,018,000, and a substantial proportion of premium income will continue to be invested in these issues. Notwithstanding re-investment problems caused by refunding of good public utility bonds, holdings in this field increased from 22.1 percent to 22.3 percent. Holdings of railroad bonds were strengthened by certain replacements and additional purchases of strong underlying issues. Mortgage loans, on commercial and residential urban properties, increased \$8,098,000 to \$48,367,000. Real estate holdings, exclusive of the home office property, amount to \$26,621,000. The total real estate account of \$33,103,000 is \$3,474,000 less than last year.

## MASSACHUSETTS MUTUAL LIFE

Substantial gains in all directions were made by Massachusetts Mutual Life during 1941. New sales were \$133,537,493, a gain of \$7,085,116, or 5.6 percent. Insurance in force was \$2,025,443,549, an increase of \$35,757,567.

Assets of \$765,956,829 showed a gain of \$41,662,794. Net surplus is \$20,343,140 and special reserves \$7,168,880.

Payments to policyholders were \$27,714,930, and \$18,921,394 went to beneficiaries. Death claims were \$18,717,394. Benefits due to accidental death were \$204,000; matured endowments, \$4,170,547; disability income payments, \$1,866,994; annuity payments, \$5,089,678; and cash surrender values, \$8,300,460.

Of 3,102 policyholder deaths, 102 were automobile fatalities, the claims being over \$660,000. Payments on death claims resulting from airplane accidents were \$104,000.

While the mortality experience in 1941 was not quite as favorable as in 1940 when the rate was unusually low, it was nevertheless within the range of what was anticipated, and entirely satisfactory from the company's point of view.

Management expenses were only \$14.84 of each \$100 of premium income, as compared with \$14.65 in 1940.

The bond portfolio for the first time in history exceeded \$500,000,000.

A rising real estate market permitted the disposal of a larger number of properties and for a greater amount than in any other year. The sales were accompanied by substantial cash payments and were not of the so-called "shoe-string" class, President Perry observes. Although the real estate owned shrank the income from rents was larger in 1941 than ever before.

## MUTUAL BENEFIT LIFE

Mutual Benefit Life's annual statement shows substantial increases in insurance in force, new business written, assets and surplus.

Payments to policyholders in 1941 totaled \$54,000,773, of which \$25,303,453

was in death claims and nearly \$29,000,000 in payments to policyholders.

New and revived business in 1941 on 29,416 policies totaled \$144,375,149, a gain of more than \$20,000,000 over 1940. Premium collections were \$78,041,762. Insurance in force was \$2,114,070,806, a gain of \$45,709,463.

Assets totaled \$795,917,213, increase \$44,376,914. Surplus was increased \$1,601,284 to \$33,538,064. More than \$145,000,000 of assets are invested in U. S. government bonds.

## SUN LIFE OF CANADA

Sun Life of Canada had more than \$187,000,000 of new business in 1941, increase more than \$17,000,000, bringing the total of insurance in force to almost \$3,000,000,000. The greater part of this business and 98 percent of investments are in Canada, United States, Great Britain and British countries. Total war claims in two years amount to only 2.2 percent of total death claims. This compares with the death rate from accidents during peacetime when automobile fatalities accounted for about 4 percent of all death claims and all accidental causes for about about 9 percent. The mortality experience on the British business, including deaths in the armed forces and among civilians due to air raids or other causes attributed to the war, is substantially the same as the average death rate on the company's entire business thus far during the war.

Assets now are \$995,000,000. Premium income in 1941 was \$112,500,000, investment income \$36,300,000, receipts from all sources \$169,300,000, payments to policyholders \$88,300,000, including nearly \$12,500,000 in dividends to policyholders, total benefits paid since organization approximately \$1,500,000,000, surplus and contingency reserves \$32,000,000.

Of assets 25.8 percent is in government bonds. President Arthur B. Wood declared that every available dollar, while performing its primary purpose of providing security for the individual and the family, is also being applied, with investment income, to purchase government loans. The contribution of life companies must be sustained for as long as is necessary, not only during the war, but afterwards in the time of reconstruction, he said. Sun Life's government bond holdings are divided \$83,367,250 Canadian, \$53,215,946 U. S., \$47,208,809 British, and \$32,042,826 British Empire countries. Total investments of Sun Life in the U. S. are more than \$430,000,000.

## OREGON MUTUAL LIFE

Oregon Mutual Life sold new business of \$8,453,127 in 1941, an increase of 26.4 percent. Insurance in force increased \$4,332,181 to \$71,372,285. The mortality rate was lower than in any year since 1928.

Assets of the company increased \$1,328,326 to \$21,365,250, about 20 percent in government bonds. The company invested \$2,373,934 in first mortgages, an increase of \$1,443,122. Surplus increased from \$1,521,889 to \$1,634,909.

## FIDELITY MUTUAL LIFE

Assets of Fidelity Mutual Life increased \$6,945,889 to \$142,252,360 in 1941. Income was \$24,460,219, disbursements \$18,107,485. Surplus reserves increased to \$6,879,561. Net yield from real estate was 3.33 percent. Of assets 18.65 percent was invested in U. S. government bonds. The mortality ratio was 55.

Confronted with a continuing low yield and increased difficulty in keeping funds working, the company must continue to discourage the acceptance of single premiums and discounted

(CONTINUED ON PAGE 20)



DONALD F. ROBERTS

Howard W. Kacy, vice-president and general counsel of Acacia Mutual Life, has been elected first vice-president, to assist William Montgomery, president, in executive duties and general supervision.

Donald F. Roberts, treasurer, is elected a vice-president, associated with R. B. Montgomery, vice-president, in handling investments.

Mr. Kacy went with Acacia in 1923 as assistant counsel. He has been a director since 1935. In 1939 he was chairman of the legal section of the American Life Convention.

Mr. Roberts formerly was secretary and chairman of the A. L. C. financial



HOWARD W. KACY

section, and was one of the original trustees of the Life Officers Investment Seminar.

C. B. Marbury, assistant treasurer, was promoted to treasurer and in addition to other duties will supervise bond investments.

J. B. Powers, assistant secretary, was elected secretary, and also will serve as personnel officer.

E. M. Thore and C. B. Hurd, assistant counsel, were appointed counsel. Mr. Thore will be in charge of legal work pertaining to general insurance phases and Mr. Hurd has been placed in charge of legal work relating to investments.



## Expect Decision Soon on Reinstating \$10 Disability Form

### Many Considerations Involved in Dealing with Soldiers' Coverage

The main question facing life companies in connection with reinstating disability coverage after the war on policyholders who have voided their coverage by entering military or naval service is what kind of coverage shall be offered to those who can show satisfactory evidence of insurability. Will these insured be given the opportunity to reinstate their coverage exactly as it was before, even though it may be the old \$10 a month per \$1,000 type for which most companies charged too low a premium and provided too liberal benefits? Or will the attitude be to offer only such disability coverages as may be currently available at the time the war ends?

It is believed that most companies will reach a decision in the next week or so on this point. Assuming no change in the type of disability coverage currently offered for sale with new life insurance, policyholders seeking reinstatement of disability provisions would find themselves limited pretty largely to waiver of premium if the companies reinstate only on the basis of coverage currently available. Those insured in companies still writing income disability would have a wider range of choice, although they would not have in the \$5-a-month variety with six months' waiting period anything like the bargain they had in the old \$10 a month type.

#### Take Broad View

There seems to be little disposition among companies to stand on clear legal right which most clauses give them in the case of men serving with the armed forces in time of war, which is to get off the risk and stay off. Those covered for waiver only or for any other currently issued type of disability do not present much of a problem. If they are insurable—bearing in mind that an acceptable life risk may not be acceptable for disability—they can safely be reinstated.

What to do about giving back to the insured his old over-liberal, underpriced disability coverage is a problem in public relations as well as sound underwriting. In spite of its unassailable legal ground a company might find itself sharply criticized if it refused to reinstate an ex-soldier's disability coverage with the same provisions and premium. It might be asked why a man in sound health should be penalized as compared with other policyholders in the same company who had not borne arms in the defense of America.

#### Policyholder's Side of Argument

On the other hand, policyholders might argue that company executives were exceeding their authority in needlessly taking back a type of business that had caused heavy losses, that however much their motives might be applauded for their generosity, the losses that could be expected from following this course would fall on all the policyholders. These insured might argue that although they were willing to bleed themselves white for the war effort and to make sacrifices for those injured in the war they felt somewhat differently about having their dividends cut still further so that the small percentage of ex-service men prosperous enough to afford to carry disability insurance could

## Life Insurance in Great Britain Has Increased in 1941

The "Review" of London gives some facts regarding new life insurance in Great Britain last year. The first returns show a very satisfactory recovery from the slump that occurred in 1940, but the advance, it said, is by no means general. Looking below the surface, the "Review" sees a very clear cut distinction between offices. Some 25 companies have been studied and their returns show an aggregate increase of 16.6 percent over 1940, which is a recovery of about one-sixth of the reduction shown in 1940, compared with the pre-war total.

The "Review" finds that more than three-fourths of the increase is shown by five companies. They are all industrial-ordinary offices, including Liverpool-Victoria, Pearl, Refuge, Royal London, and Wesleyan & General. This leaves an increase of 4.1 percent for the 20 purely ordinary offices, ten of which show increases of 16.2 percent and ten decreases, 15.3 percent. The Pearl has done particularly well. It has by far the largest increase of any that had been reported at that time, 64.6 percent.

resume their coverage at below-cost rates.

Incidentally, most disability war exclusions refer only to military or naval service in time of war. For example, some companies are paying claims on service men who became disabled before we entered the war. They will continue paying until the assured recovers or dies. If such a claimant recovers and continues in the service his coverage would be invalidated, though not if he were discharged before recovery.

## Life Insurance and Its 1941 Payments

### Vast Amount Put in the Hands of American Families

The Institute of Life Insurance calls attention to the fact that American families received an average of \$6,918,000 per day last year from their life insurance policies, the total payments to policyholders and beneficiaries amounting to \$2,525,222,000. The death benefits were \$1,009,636,000. Of this, \$735,306,000 was paid under ordinary life policies, \$112,015,000 group and \$162,215,000 industrial.

Payments to living policyholders last year totaled \$1,515,586,000. Of this, \$260,257,000 was paid to those owning endowment policies. Ordinary matured endowments amounted to \$178,348,000 and industrial \$81,909,000.

#### Total Payments Shown

Total payments for the entire year and for December were:

Death benefits.....	\$1,009,636,000	\$91,949,000
Matured endowments	260,257,000	20,470,000
Disability payments.	101,657,000	10,604,000
Annuities .....	156,623,000	12,365,000
Surrender values...	564,845,000	47,692,000
Dividends to policyholders	432,204,000	56,601,000
Total .....	\$2,525,222,000	\$239,681,000

#### Discuss Aids to Editors

Syndicated helps for editors and sales promotion men were considered by the Keystone Group, Philadelphia chapter of Life Insurance Advertisers Association. F. J. Kiefner, Provident Mutual Life, was chairman.

Miss Christine Megargee, secretary to G. A. Adsit, vice-president, Girard Life, was introduced as a new member.

## EXTRA BIT OF MANNA

Insured in 1901, a 20 Year Endowment (T.C.20) with a Deferred Joint and Survivorship Annuity. In 1931 the policy matured, and he commuted the 20 Year installments for cash. And now in 1941 he received a first annual payment of \$250, with himself or his wife, whichever survives, to receive that income for life. His letter:—

"Remittance of the \$250 is apt to be simply routine from your standpoint, all in the day's work. From our standpoint it's somewhat different.

"One does not glance back over 40 years without some odd reflections. I see the agent as he pontifically expounds to me the vast and varied advantages to accrue to me and mine via the purchase of this insurance. I also recall what a big undertaking this was at the time for my wife and me, working hard and long to acquire our grocery business and home free and clear.

"Well, the 20 years passed and we got back all money paid in, plus something extra, as I remember it; and then, like out of a clear sky, came this deferred annuity which was a provision of the policy I never knew of or anyway so entirely forgot that it was an extra bit of manna from Heaven. But here it is, a realization in our 73d and 76th year, respectively, and that it goes directly into a Defense Bond does not lessen its value or our pleasure in it."

\* \* \*

### THE PENN MUTUAL LIFE INSURANCE CO.

WILLIAM H. KINGSLEY  
Chairman of the Board

JOHN A. STEVENSON  
President

INDEPENDENCE SQUARE, PHILADELPHIA

## Fraternalists Are Taking Action on War Clause

### Many Announce Policy— Status Exclusion Is Common Type Found

A number of fraternal societies have announced their actions in regard to the war and aviation exclusion rider. Fidelity Life, Fulton, Ill., applies the rider, effective March 1, on all male risks ages 18-45, inclusive. The war risk exclusion is on a "status" basis for service outside the United States and Canada, but does not exclude coverage for service within these areas. Occupational rating will be given applicants in extra hazardous lines, such as auxiliary services.

Catholic Order of Foresters adopted a limit of \$1,000 for single men, \$2,000 for married men with no children, and \$25,000 for married men with children, but no applicants in naval or aviation service are eligible.

#### I. O. F. Rates for War Coverage

Independent Order of Foresters announced extra rates for active war service. These are: For covering all ground combat forces, service and auxiliary units on British soil after leaving Canada or United States, \$1 per month per \$1,000; naval forces, armed merchant-crews, except submarine crews and naval aviators, \$5 per month per \$1,000; submarine crews, \$15 per month per \$1,000; military and naval aviation services—army, non-flying, \$1 per month per each \$1,000; both army and navy, flying, \$7.50 per month per \$1,000. The normal rate is advanced from \$1 to \$5 per month per \$1,000 upon leaving British soil.

Protected Home Circle has had a war clause in all its adult certificates since 1926. This clause excludes deaths in military or naval service in time of war or in any work as a civilian in any capacity in connection with actual warfare, the only benefit being one-fourth of the face amount or cash value, whichever is the greater.

Gleaner Life made applicable last week a war and aviation exclusion rider to all new policies issued to male risks ages 16-46, inclusive, except those who probably will not enter military service. The rider also will be attached to policies issued to female registered or practical nurses, or those in training for this profession. This is a "status" clause.

A. O. U. W. of North Dakota is employing a clause which is "status" outside the United States, both for deaths in armed forces and auxiliary services.

#### Maccabees Acted Last Year

Maccabees adopted a war clause Sept. 29, 1941, applying to United States applicants. It is applying the clause to male applicants in the military service or any auxiliary services, to certificates of more than \$2,000 issued to applicants with draft classification numbers 1 or 4; to certificates for more than \$5,000 issued to male adults ages 16-44 nearest birthday; to certificates issued to applicants who may be subject to war hazards. Maccabees has three types of clauses, all being on a "status" basis, the exclusion applying equally to auxiliary services.

Neighbors of Woodcraft, Portland, Ore., does not plan to adopt a war clause but excludes wartime aviation hazard.

Modern Woodmen has no war rider  
(CONTINUED ON PAGE 21)

## Give Wage & Hour Insurance Formula

### U. S. Agency Outlines Tests to Determine Applicability of Law

The wage and hour division of the U. S. Department of Labor has issued an "interpretative release" on the application of the fair labor standards acts to the insurance business. This is the first time that the bureau has given a particularized formula applicable to insurance. The tests that are outlined to determine the applicability of the wage and hour law to insurance companies, insurance agents and brokers and insurance service organizations are so drawn that it would be a rare office that would be regarded as free from the operation of the law, and the "interpretative release" goes on to say that merely because the tests that are outlined might indicate that an office is not subject to the law, it is not automatically exempt. The release states that the wage and hour division will not consider itself precluded from considering any other activities of an interstate commerce character in which a particular insurance company may be engaged but which are not specifically enumerated in the release.

#### Large Companies Covered

The "interpretative release" is of interest chiefly to small, local insurance companies of one kind and another since almost all of the larger companies have indicated a desire to maintain standards of employment at least equivalent to the wage and hour requirements of the federal act although without conceding that their employees are engaged either in interstate commerce or in the production of goods for commerce. The release states, however, that even some of the larger companies have not become clearly aware of the opinions regarding the status under the act of employees in some of the branch offices and there have also been numerous inquiries from "non-risk bearing insurance enterprises" (brokers and agents) regarding the application of the acts to their employees. The release covers the subjects under the headings of home office employees, branch office employees and employees of non-risk bearing insurance enterprises.

The release treats only those insurance employees that are engaged in purely insurance types of work and not maintenance men, janitors, etc., whose status is determined upon different principles.

Insofar as home office employees are concerned, the wage and hour division regards those employed in the home office as covered by the act, if the insurer operates in more states than one "or if the activities of such employees contribute to the regular and continued use by the company of the mails and other channels and instrumentalities of interstate commerce and communication." The final decision in the case of any employee about whom there is doubt will be based upon the full facts in each case, the release states. However, the wage and hour division lists various typical situations that it will regard either as decisive or significant in determining if home office employees of a particular company are covered. If the company is licensed in more than one state it will be presumed to be operating in more than one unless it can produce conclusive evidence to the contrary. If it gives to or takes reinsurance from a company licensed in another state it will be regarded as operating in more than one state. The department regards as highly significant the fact that a company insures residents of other states. Other tests will be whether the company actively solicits insurance in

## Penn Mutual Honors Strief Elected Iowa Quarter Million Club Chairman

Penn Mutual Life's 1941 leading producer was Stanley F. Transue, Bethlehem, Pa., of the home office agency, who paid for the largest volume of life insurance. He is 47 years old and has been selling life insurance since 1919.



S. F. Transue

Erle I. Shobert, Kenneth W. Conrey agency, Pittsburgh, led in number of lives. He has been selling life insurance 11 years.

Harry Phillips, Jr., Ralph G. Engelsman agency, New York City, led in total volume of life insurance plus annuities. Now 43 years old, he has been in life insurance 10 years.

Winners were announced at the annual meeting of the President's Club for Leaders at the home office. Other leaders were: life volume, George W. Stewart, Pittsburgh; lives, W. S. Porter, Champaign, and Walker Laramore, Miami; both volume and lives, M. R. Coulson, Wichita, and A. L. Hallenberg, Jr., Louisville.

The President's Club for New Organization also held a quarterly meeting in Philadelphia, with the winners of the last four months attending.

President John A. Stevenson tendered both groups a luncheon, attended by Vice-president Eric G. Johnson and other executive officers and several trustees. Club members were awarded diplomas of distinguished service and escorted through the various departments of the home office to study office procedure.

The following were the first-year leaders: John Veech, Detroit; H. J. Moriarty, Minneapolis; C. M. Gelbert, Harrisburg; and S. J. Zicari, Rochester, N. Y.

other states, whether it collects premiums from residents of another state, whether it engages in active adjustment of claims in other states and whether it delivers policies to residents of other states, whether it engages in transactions in other states pertaining to investments.

As to branch office employees, the division expressed the belief that such are covered in an office located in a state other than that in which the home office of the company is located. Where the branch office and home office are located in the same state, the branch employees are covered if the branch is operating in more states than one or is using the mails and other channels of interstate commerce and communication.

So far as employees of insurance agents and brokers are concerned, the division regards such as covered if the agent or broker operates in more than one state or if the activities of the employees contribute to the regular and continuous use by the agent or broker of the mails and other channels and instrumentalities of interstate commerce and communication. If an agent or broker operates branches in more than one state, his employees are covered. Also an office will be covered if it places insurance with general agencies or branches or the home office of insurance companies located in other than the state in which the agent or broker is located.

In general, the status of employees of intercompany organizations depends very largely on what their status would be if they were working directly for companies that comprise the organization. Of course that would seem to indicate that practically all employees of such organizations would be covered.

DES MOINES.—W. B. Strief, Equitable Life of Iowa, Des Moines, was elected chairman of the Iowa Quarter Million Club at its annual meeting, succeeding Robert O. Bickel, National Life of Vermont, Cedar Rapids.

Roy Swarzman, of the Equitable Society, Des Moines, is first vice-chairman; Joseph Rhomberg, Northwestern Mutual, Dubuque, second vice-chairman; and Phillip Sitrick, Lincoln National Life, Davenport, was re-elected secretary-treasurer.

The Iowa club now has 30 members, nearly double the membership of 16 a year ago. According to qualification chairman, Lowell P. Schwinger, Northwestern Mutual, Waterloo, the combined production of all members last year came to \$10,000,000.

Mrs. Rose M. Helm, New York Life, Logan, the first woman to qualify, attended.

#### Urged Standard War Clause

A resolution was adopted favoring a standardized war clause to eliminate competition.

By-law changes on qualifications and to provide for life memberships were discussed.

Paul F. Millett, Spindell & Millett, Chicago tax consultants, pointed out that insurance men should study income taxes instead of death taxes to save money for clients so they can buy more insurance.

Mr. Millett discussed profit sharing trusts, their operation and protection; urged use of single premium insurance for men of wealth; how to arrange a corporation insurance policy and settlement options.

Mr. Schwinger, said that the best markets for insurance can be found in war industries. Income of working women and those in defense industries will be increased. Juvenile prospects have also increased.

## Department Seizure Is Invalidated by the Court

LOS ANGELES—Superior Judge Palmer has handed down a judgment in the case of Imperial Mutual Life, one of the Chapter 9 companies seized by Commissioner Caminetti. The court sets aside the order appointing the conservator, and the restraining order accompanying it, and the conservation order of June 16, 1941 is dissolved.

The judgment orders the commissioner to restore the company, all its assets and properties to the former officers and to give an accounting of the conduct of the company's affairs during the period of the conservatorship. The court retains jurisdiction in the case for one year and orders that all parties come into court as of Feb. 10, 1943 for final judgment.

The court in a lengthy opinion accompanying the judgment apparently stepped out of the role of a jurist and declared that the commissioner in this case had acted in bad faith and had acted so as to destroy the company, not preserve it.

This is the first of the Chapter 9 involved in the litigation where the commissioner has not been upheld in his actions, and the first one in which the court has impugned the official conduct of the commissioner.

Ralph Emmerson, assistant director of agencies Northwestern Mutual Life, addressed the Cosmopolitan Club, Milwaukee, on "The Place of Life Insurance in the Present International Crisis."

## Hold Investment Seminar in July

### Impact of War Is Theme for Session at Indiana University

Plans for the 1942 session of the American Life Convention Life Officers Investment Seminar, to be held July 13-24 at Indiana University were formulated at a meeting in Chicago of the seminar executive committee. This is a graduate school for financial officers of life companies and is in its third year. It is jointly sponsored by the A. L. C. financial section and the university's school of business.

Grant Torrance, Business Men's Assurance, section chairman, stated results of the seminar have more than justified the hopes of founders. About 75 company officials have attended each of the two previous seminars.

#### Need for Study Urgent

It was recognized that it may be more difficult for some men to get away from their offices for two weeks this year because of the war, but the committee feels there is now a greater need than ever for the seminar. The war is bringing about major changes in economic life which will make new investment opportunities and destroy others.

The curriculum is being built around "The Impact of War and Post-War Readjustments on Investment Policies." It includes, tentatively, lectures on problems of public finance, a series on international economic relations and one on the outlook for social changes in the post-war period.

#### Many Subjects Contemplated

There will be lectures and discussions on immediate problems of investment, such as public utility, railroad and municipal bonds and real estate mortgages. A strong faculty is being secured. It is planned to devote the last day to a summing up in terms of investment policy.

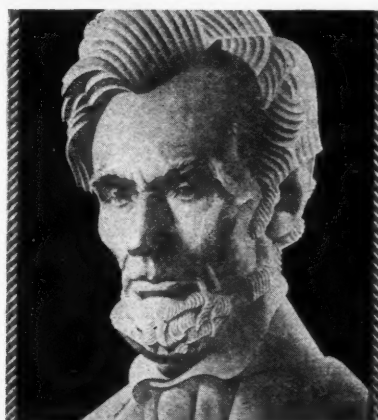
Enrollments are being received at the A. L. C. office in Chicago. The executive committee of the seminar includes A. J. McAndless, president Lincoln National Life; Julian Price, president Jefferson Standard; L. D. Cavanaugh, president Federal Life; C. E. Nettleship, Jr., secretary Colonial Life; Grant Torrance, treasurer Business Men's Assurance; E. A. Camp, Jr., treasurer Liberty National; Alex Cunningham, vice-president and treasurer Western Life; A. H. Rust, president and treasurer State Farm Life, and F. J. Travers, second vice-president Lincoln National.

Charles E. Rounds, 72, a home office employee of John Hancock Mutual Life for 45 years, the last years as personnel officer, died at his home in Malden, Mass. He retired from active work in 1939.

## Senator Brown Prefers Life Insurance to Pension

WASHINGTON, D. C.—Life insurance for retirement received a ringing endorsement here when Senator P. M. Brown of Michigan, was interviewed as to his reasons for voting for the congressmen's pension measure which has invoked a storm of protest throughout the nation. Explaining that he had already notified the civil service commission that he elected not to come under the pension, Mr. Brown declared: "I have through the years since I was 20 provided for my old age by substantial convertible insurance far better than any government pension."





Presenting  
**THE 37<sup>th</sup> ANNUAL STATEMENT**  
*of*  
**THE LINCOLN NATIONAL LIFE INSURANCE COMPANY**  
**FORT WAYNE, INDIANA**

Balance Sheet as of December 31, 1941, Condensed from the Report Filed with the Indiana Insurance Department

#### RESOURCES

(Small figures in column at right as of Dec. 31, 1940)

Cash in Bank and Office.....	\$2,970,941.22
Balances are carried in 51 banks.....	\$2,962,325.15
<b>*Bonds and Stocks.....</b>	<b>71,753,251.06</b>
The Company holds \$24,873,417 in U. S. Government bonds and \$2,010,602 in Canadian Government direct and guaranteed bonds; \$17,414,083 of state, provincial, county and municipal bonds; \$6,633,913 in railroad bonds; \$17,391,214 in public utility bonds; \$363,335 in industrial and other bonds; \$508,488 in industrial preferred stocks and other \$2,558,199.	65,617,293.50
<b>First Mortgage Loans.....</b>	<b>61,182,145.89</b>
\$58,442,141 on city properties and \$2,740,005 on farm properties; \$38,071,580 on these are Federal Housing Authority loans, which are, in effect, guaranteed by the U. S. Government.	51,862,185.03
<b>Loans to Policyholders.....</b>	<b>20,463,171.90</b>
No loan exceeds the cash value of the policy.	21,295,692.19
<b>Trusted Assets.....</b>	<b>5,042,826.84</b>
These assets are being administered by Trustees for benefit of policyholders of certain reinsured companies.	6,448,154.27
<b>Balance Due on Properties Sold Under Contract.....</b>	<b>4,618,734.68</b>
	4,389,261.51
<b>Foreclosed Real Estate Unsold.....</b>	<b>4,527,943.62</b>
	6,498,689.02
<b>Interest Due and Accrued.....</b>	<b>1,175,150.22</b>
Accrued but not yet due \$1,002,064; due \$173,086.	1,190,182.08
<b>Net Premiums in Course of Collection.....</b>	<b>5,526,867.29</b>
These premiums were due but not received at the Home Office on December 31. A reserve of corresponding amount is included in our liabilities.	5,159,100.33
<b>Home Office Property.....</b>	<b>2,032,406.75</b>
	2,073,858.07
<b>All Other Resources.....</b>	<b>1,546,163.05</b>
	1,143,453.31
<b>Total Resources.....</b>	<b>\$180,839,602.52</b>
*Detailed list of bonds and stocks will be mailed upon request.	\$168,640,194.46

#### LIABILITIES

(Small figures in column at right as of Dec. 31, 1940)

<b>Policy Reserves.....</b>	<b>\$160,526,200.67</b>
This is the amount which with interest and future premiums will pay all policy claims as they mature.	\$150,077,423.71
<b>Additional Policyholders' Funds.....</b>	<b>1,195,128.54</b>
Amounts set aside for, or already apportioned to policies in addition to the reserve.	1,309,593.79
<b>Premiums and Interest.....</b>	<b>2,933,330.94</b>
many policyholders take the precaution to pay their premiums in advance to avoid possibility of overlooking them at the due date. Considerable interest on loans is also paid in advance.	2,729,054.30
<b>Claim Reserve.....</b>	<b>1,550,420.08</b>
For claims not yet completed or reported.	1,361,293.23
<b>Reserves for Taxes Payable in 1942.....</b>	<b>673,551.48</b>
	730,224.54
<b>Miscellaneous Contingency Reserve.....</b>	<b>1,450,000.00</b>
Reserve for investment losses \$725,000; mortality contingency reserve \$400,000; and reserve for business reinsured on a lien basis \$325,000.	1,068,334.17
<b>All Other Liabilities.....</b>	<b>1,464,188.25</b>
	1,333,935.14
<b>Total Liabilities (except capital).....</b>	<b>\$169,792,819.96</b>
	\$158,609,858.88
<b>Capital.....</b>	<b>\$2,500,000.00</b>
	\$2,500,000.00
<b>Unassigned Surplus.....</b>	<b>6,000,000.00</b>
	5,000,000.00
<b>Special Surplus for Contingencies.....</b>	<b>2,546,782.56</b>
	2,530,335.58
<b>Surplus to Protect Policyholders.....</b>	<b>11,046,782.56</b>
	10,030,335.58
<b>Total.....</b>	<b>\$180,839,602.52</b>
	\$168,640,194.46

Insurance in force as of December 31, 1941, stood at \$1,183,110,270. This figure includes an increase during the year of 1941 of \$91,582,467.

During 1941, the Company paid \$14,029,000 to policyholders and beneficiaries. Since organization it has paid more than \$202,600,000.

Income during 1941 was \$44,651,552. Income exceeded disbursements during the year by \$13,304,989.

## Meet "No Business" Talk Now; Show Agents Bright Side

The necessity for a counterpropaganda selling job to combat the tendency among many producers to look on the dark side of the business picture today and say that there "isn't any business," was emphasized by George Robson, vice-president Continental Assurance, in his talk on "The Wartime Selling Job" before the Chicago Accident & Health Association. Mr. Robson was active for many years in the accident and health field in Chicago and still retains a deep interest in that line, although his present work is almost wholly concerned with life insurance. He said that the general agents and managers must do something about this situation, and do it now, as this tendency gets bigger and bigger the more it is talked and if allowed to spread, it won't be long until there won't be any business.

### Different from Former War

At the outset he declared that it is not sufficient to cite the record of continual gains made during the period of the former war and say that things will go along the same way this time, as there are a number of important conditions today which did not exist at the start of the former war. First of all is the income tax, which has been greatly increased and will be bigger yet next year. There was none at that time. In the second place, while there were sporadic drives for the sale of Liberty bonds, there was nothing like the high pressure campaign that is being put on today for the purchase of defense bonds, under which employees by the thousands are being persuaded to commit themselves to payments over a series of years on the payroll deduction plan.

Furthermore, there is a record government debt, as the result of the biggest spending era in history, as compared with a very small national indebtedness in 1917. People are more cautious now. They didn't know then what war meant. There is a serious dislocation of business under way, with the shift from non-defense activities to defense activities. Still more changes are to be expected and the business must adjust itself to them as they come along.

### Emphasize Favorable Things

In the counterpropaganda campaign that he suggested, he advised emphasizing the favorable things in the present picture. As against the tax argument, he pointed out that people will have more money because they can't buy automobiles, tires, radios, washing machines, etc. He declared that the average man has been spending more money in buying a new automobile every 18 months or two years than his income tax will amount to. With the decreased use of cars, he will not be spending the money for gas, oil, repairs and accessories that he did before and will be less inclined to drive out to some night spot and drop \$10 or \$15 for an evening's entertainment.

On the complaint that prospects are being taken away because certain industries are being put out of business, he said that they are merely being transferred. There may be a transition period of 30 to 60 days, but all of them eventually will be employed. Manufacturing firms are making money today and so are people that are working for them. There may have to be a shift in prospects, but present prospects and policyholders should be cultivated in their new occupations.

Some agents will say that they can't get in to see prospects in defense industries. He told of one agent who visited such a plant, only to be stopped by an armed guard at the door. He said he had an appointment with one of the officials of the company. The guard went away to investigate and came back and escorted him to the office, where he was

told that the agent was to be admitted whenever he appeared. He always was escorted to the office, but was given free play there, although he was not allowed in the plant. He made a number of sales to office employees and secured the names of supervisors, foremen and other key men in the plant. He had to see them at their homes at night, but this gave a chance to sell the wife too, Mr. Robson pointed out.

### "We're in a War"

"Are night calls hard work? Sure, but we're in a war." He admitted that it is harder to make people realize that in the central west than on either coast. "Men in other lines are putting in extra effort and extra hours," he continued. "We must do the same if we are to survive."

The fact that agents are being lost to the army is a good thing for those who are left, Mr. Robson said. He said recent surveys have showed there are now fewer men in all lines of insurance than in many years. He characterized this as a healthy sign, as it means more business for the average producer.

In connection with the shift of prospects to defense industries, he said it will be necessary to dust off some of the policies that haven't been used, as the one that is intended for the man in the office will not apply. He urged the managers to "build up" these policies and "glamorize" them for the agents in order to get them to sell that type of contract.

### New Selling Argument Offered

The tax and defense bond situation, he said, gives a new and effective selling argument for accident and health. Income taxes have to be paid, and if a man is laid up on his back, how is he going to pay them? People who are making monthly payments for the purchase of defense bonds want to keep those payments going without interruption. In case of disability, people will now need the money for the usual things, plus these added payments and therefore will need even more accident and health protection than before.

The same arguments that are offered for new sales can be used with equal effect in conservation of business now on the books. There has been a tendency to lapse policies because of the heavy payments now required, but that can be countered in the same way.

"If we can't prove that we can sell our product in war time, then it would be only the logical thing for the government to step in," he said in conclusion.

### Va. Bills to Set Reserve and Valuation Standards

RICHMOND—Two bills affecting life insurance are before the Virginia legislature. One would amend the code relating to reserves and valuation of policies. It provides that no policy valuation standard previously adopted shall be abandoned for a standard producing a lower aggregate reserve for policies to which it applies without the consent of the state corporation commission in writing.

It requires that the legal minimum standard for valuation of life contracts issued prior to Jan. 1, 1937, shall be the American Experience table of mortality with interest at 4 percent. The other bill defines group life insurance and provides standard provisions for life policies.

### Tabor Is Buffalo Speaker

J. P. Williams, director educational advisory department American College, was guest of the Buffalo C. L. U. chapter. M. S. Tabor, Buffalo general agent of Travelers, spoke.

## A Picture of Progress

### 96th Annual Report Shows Gains

### Statement

(as of December 31, 1941)

ASSETS	
Cash in Banks.....	\$ 6,166,638
Bonds (Amortized or Investment Value)	
United States Government Obligations.....	25,442,061
Other Bonds .....	145,826,832
Stocks (Commissioners' Market Value).....	16,033,981
Mortgage Loans .....	175,091,358
Collateral Loans .....	3,000,000
Policy Loans .....	32,089,160
Home Office Property.....	2,650,000
Other Real Estate.....	6,482,891
Interest Due \$222,757 and Accrued \$4,054,700.....	4,277,457
Net Deferred and Outstanding Premiums .....	6,933,340
<b>Total Admitted Assets.....</b>	<b>\$423,993,718</b>
LIABILITIES	
Policy and Contract Reserves.....	\$342,305,729
Policyholders' Funds:	
Policy Proceeds left with the Company.....	\$36,531,902
Accumulated, and Other Dividends.....	15,409,260
Advance Premium Fund.....	4,467,187
	56,408,349
Reserve for 1942 Dividends.....	5,650,000
Reserve for Taxes Payable in 1942.....	1,400,000
Liability for Outstanding Claims.....	948,248
Miscellaneous Liabilities .....	510,234
Investment Contingency Reserve.....	420,151
Surplus .....	16,351,007
<b>Total Liabilities .....</b>	<b>\$423,993,718</b>

### HIGHLIGHTS

#### New Business

1941—\$108,238,955  
1940—\$101,948,307  
Increase—\$6,290,648

#### Insurance in Force

1941—\$1,135,915,272  
1940—\$1,084,835,793  
Increase—\$51,079,479

#### Assets

1941—\$423,993,718  
1940—\$394,881,555  
Increase—\$29,112,163

#### Surplus

1941—\$16,351,007  
1940—\$14,566,843  
Increase—\$1,784,164



## Connecticut Mutual

### Life Insurance Co.

### 96 years of Dependable Performance



SEVENTY-NINTH *John Hancock* ANNUAL REPORT  
 MUTUAL  
 LIFE INSURANCE COMPANY  
 OF BOSTON, MASSACHUSETTS

## Balance Sheet ~ ~ December 31, 1941

ASSETS		LIABILITIES	
Bonds and Notes Owned .....	\$765,580,304.48	Policy Reserve .....	\$954,620,096.00
U. S. Government ..	\$140,617,638.56	Reserve for Year's Dividends to	
Dominion of Canada ..	13,949,742.16	Policyholders in 1942 .....	23,658,802.37
States and other		Reserve for Death, Endowment and	
civil divisions .....	153,559,556.69	Disability Claims in settlement ..	5,063,414.79
Public Utilities .....	383,471,918.50	Reserve for Prepaid Interest,	
Railroads .....	37,121,515.38	Premiums and sundry items .....	10,936,684.26
Miscellaneous .....	36,859,933.19	Special Reserves for Group Mor-	
Stocks Owned .....	20,563,042.76	tality, Annuities and Unreal-	
<i>(\$18,318,815.70 Guaranteed or Preferred)</i>		ized Profits .....	6,702,114.40
All bonds in default and all bonds considered to be		Reserve for Accrued Taxes .....	3,150,000.00
not amply secured and all stocks are taken at market		Reserve for Deposits and other items	
values, as determined by the National Association of		awaiting order or not yet due ...	63,785,923.26
Insurance Commissioners. All other bonds are taken		Total Liabilities .....	\$1,067,917,035.08
at amortized values as prescribed by law. The market		General Surplus Fund .....	98,581,330.40
value of bonds is more than \$39,000,000.00 greater than		Total to Balance Assets .....	\$1,166,498,365.48
their amortized value used for asset figures.			
Real Estate Mortgages .....	166,200,433.37		
Loans and Liens on Company's			
Policies .....	83,455,728.26		
Home Office and other Real Estate	63,063,284.53		
(\$19,617,213.82 of this amount is under			
contracts for sale)			
Interest and Rents due and accrued	13,423,714.30		
Premiums due and deferred and			
other Assets .....	12,812,969.68		
Cash in Banks and Office .....	41,398,888.10		
Total Admitted Assets .....	\$1,166,498,365.48		

PUBLIC CONFIDENCE in our Company's strength and public appreciation of the quality and usefulness of its services in 1941 may be measured by the increase of assets in the sum of \$112,128,733.63; by the increase of insurance in force of \$464,746,466.00; and by the increase of total insurance in force to more than \$5,000,000,000.00 — a mark of exceptional attainment, made possible by the participation of over 6,000,000 policyholders.

1941 is the year of our Company's greatest achievement.

GUY W. COX, President

*This Company offers all approved forms of life insurance in large or small amounts, including group coverage; also annuities for individuals and pension and retirement plans for corporations and educational institutions.*

A COPY OF THE COMPLETE ANNUAL REPORT  
 WILL BE SENT ON REQUEST

JOHN HANCOCK MUTUAL LIFE INSURANCE COMPANY OF BOSTON, MASSACHUSETTS

## Weigh Problems of Agent Who Enters Defense Work

NEW YORK.—Because of the number of agents who have taken full-time war jobs with the government or with private industry while continuing to sell life insurance, C. D. Connell, general agent Provident Mutual, New York, and chairman agency practices committee of the National Association of Life Underwriters, has written to the members of his committee to get their views as to what should be done to handle the situation in the light of the agency practices code. Mr. Connell has already conferred with F. H. Haviland, vice-president Connecticut General Life, and chairman of the Life Agency Officers Association committee on agency practices.

There appears to be no problem in connection with men in the armed forces or with those who are giving part or all of their time without pay. However, men who accept salaried positions in the government, such as administrators in the Treasury department, the federal bureau of investigation, or other departments present a much more troublesome problem. Should such a man be considered a part-time agent and his contract canceled? For example one man in an eastern state receives a salary of \$4,200 from the government. His office is located in the city where he previously solicited life insurance. He has many political contacts.

Many agents in this city feel this is an unfair type of competition and that his company should cancel his license on the ground that he is a part-time agent. One suggestion for taking care of such cases is that his contract might be held in abeyance during the war and that if cases were closed by his general agent or manager on prospects whom he had previously solicited such commissions might be credited to him but that he should properly not solicit business on new prospects. This would be quite a complex plan to administer, however.

Somewhat the same problem arises in connection with life insurance men who, because of prior experience of a type which makes them valuable in defense industries, have been returning to these industries in considerable numbers. What makes these situations especially perplexing from an agency practices standpoint is that while some agents have felt it to be a patriotic duty to use their previously acquired skill in the defense industries there are others who see in it a means of supplementing their life insurance earnings.

A Rochester, N. Y., agent whose services were being sought in a defense plant found that the other agents in his office felt that his license should be canceled. However, when the general agent asked four of these agents if they would undertake to service 50 each of the agent's 200 policyholders they preferred not to do this and changed their position, feeling that his license should not be canceled and that he should devote as much time as he had available to servicing his own policyholders.

### Patterson Trustee of Mutual Life

Alexander E. Patterson, executive vice-president of Mutual Life of New York, has been elected a trustee. Mr. Patterson joined Mutual Life as vice-president last July 1 to supervise all the company's insurance operations. He was elected executive vice-president last month.

At the annual meeting of the Louis F. Paret agency Provident Mutual, Camden, N. J., Theodore Widing was elected president of the agency association. N. M. Brooks is vice-president; Miss Alice Roche, secretary; R. L. Hoffman, treasurer.

## N. Y. State Managers Parley Is Scheduled

Important and timely questions will be taken up at the second annual general agents' and managers' conference of the New York State Life Underwriters Association the weekend of March 20-21 at Saratoga Springs. Formal speeches will be few, with an abundance of time for open forum discussions. General Manager J. G. Parker of Imperial Life of Canada will describe the life insurance picture in Canada after two years of war. Other speakers will be Vance L. Bushnell, second vice-president of Equitable Society, and S. A. Holme of General Electric's market research bureau. C. J. Zimmerman, general agent Connecticut Mutual Life in Chicago and chairman of the National Association of Life Underwriters law and legislation committee, will discuss taxation, particularly its effect on the general agent.

V. B. Coffin, vice-president Connecticut Mutual, will sum up the meeting Saturday noon. Superintendent Pink of New York will be a guest for at least one day. Session chairmen will be R. G. Engelsman, general agent Penn Mutual, New York City, and J. M. Holcombe, Jr., manager Sales Research Bureau. E. R. Gettings, general agent Northwestern Mutual, Albany, is association president.

Registration will be \$10 for general agents and managers and \$15 for home office officials, the proceeds to go to a special association fund for educational, legal and legislative work.

### Offers New A. & H. Policy

At a conference of general agents of United States Life in New York, a new accident and sickness policy was announced which will cover, for men and women, death, dismemberment, and loss of time resulting from accident or sickness. Accident indemnity will be payable from the first day, with one-half for partial disability. Sickness indemnity commences with the eighth day and continues for 12 months.

The company's first accident and health production contest will be conducted Feb. 13-March 28, open to all general agents, agents and brokers. Defense bonds are being offered as prizes and producers submitting \$250 in paid premiums with six applications will receive 5 percent extra commission. It will tie in with accident and health activities on Hoodoo Days in February and March and also with the Accident & Health Week program March 23-28.

Accident and health sales demonstrations were put on by General Agents A. D. Dozois, Albany; W. Welsh Pierce, Chicago, and Richard Fairbanks, New York.

### Pays First War Death Claim

Farmers & Traders Life of Syracuse, N. Y., has paid its first death claim resulting from war action which began with the Japanese attack on Pearl Harbor.

The claim covered a \$5,000 policy on the life of a 20-year old musician in the Navy band. On Jan. 20, the beneficiary, the youth's mother, informed Farmers & Traders that she had received a telegram from the Navy department informing her that her son had been officially declared to have lost his life in the service Dec. 7. Confirmation was received through the Navy department by the company Feb. 2, and Feb. 3, the claim was paid.

Farmers & Traders has also received notice of a \$1,000 claim under a \$1,000 policy on the life of a seaman, first class, who was killed in the Pacific. This is being held pending confirmation by the Navy department.

### Southern Division Wins Contest

The southern division won the Reliance Life divisional cup contest with the highest percentage of quota of new submitted business in January.

# NO DELAYS

## NEW "AUTOMATIC" \* POSTAL WIRES GET THERE FASTER



• Costly telegraph delays are out! POSTAL "Automatic" is in!

Amazing machines—only recently perfected by POSTAL TELEGRAPH engineers—now flash messages to any part of the country at record-breaking speed—and with incredible accuracy. These "Automatic" machines are POSTAL's—*exclusively*. Messages sent "Automatic" cost you not one penny more. So—

**Try this NEW SUPER-SPEED SERVICE today!**

**CALL**

# Postal Telegraph

For your convenience, charges for telegrams telephoned-in appear on your telephone bill.

*\*For descriptive folder—address Postal Telegraph, 157 Chambers St., New York or ask local branch manager.*



## M. J. Cleary Emphasizes Agent's Patriotic Service

ST. PAUL—The need for life insurance will be as great or greater this year than it was in 1941 and the agent need not feel sensitive about his patriotism when he is selling life insurance, President M. J. Cleary of Northwestern Mutual Life told Minnesota agents of the company at their winter conference. Mr. Cleary spoke at the dinner which closed the conference.

"Tremendous sums are flowing through the economy of our country and that stream will increase in volume," he said. "That money is flowing into the pockets of professional men, retailers, wholesalers, manufacturers and the laboring classes. Whether you write them will depend on the intelligence with which you solicit this business."

"The life insurance agent needs to make no apology for sticking to his present job until he is called upon to do some other service for his country. Selling life insurance is a patriotic service. America is fighting to preserve our way of life. As we life insurance workers help to make men independent financially we are laying the foundation for that thing for which we are fighting."

Taking part in the conference were John J. Hughes, assistant director of agencies; John H. Jamison, manager of field training; Jerome A. Boyer, assistant superintendent of claims; Arthur C. Hoene, Duluth general agent; Sam A. Erickson, general agent Mankato; Al F. Preher, St. Paul; Ralph Hamburger, Minneapolis; and P. W. Fahey, St. Paul.

## Blackall Seeks Clarification

HARTFORD—Having had numerous inquiries recently as to the right of insurance companies to pay to the nationals of members of the Axis powers proceeds of insurance policies, Commissioner Blackall has written to United States Senator Maloney to have clarified, if possible, rulings of the Treasury department or the Federal Reserve System.

E. H. Foley, Jr., acting secretary of the treasury, has replied to the senator, clarifying the situation to the extent of showing that the door is evidently not closed in needy cases.

## Tells of Siphoning Program

KANSAS CITY—The General Agents & Managers Association heard Dr. Joseph H. Taggart, regional business consultant U. S. department of commerce, who pointed out what the government is trying to do toward siphoning off excess income to avoid inflation.

Life companies are stronger financially today than at any time in their history, F. W. Gleason, vice-president and secretary of Pan-American Life, told the Alvin Callander post of the American Legion in New Orleans. He outlined life insurance's contribution to the war effort.

## Connecticut Mutual Prepares for Air Raid

The home office of Connecticut Mutual at Hartford has an air raid precaution organization built along the same lines as that of many other cities. Duties have been distributed to members of the staff and special groups, such as fire service, first aid service, maintenance service, precautionary service, have been organized. All necessary windows in the building have been provided with blackout curtains, so work in the office can proceed at any time of the day or night.

Under the direction of the medical staff several first aid and stretcher units have been organized and trained. The Connecticut Mutual building has been officially designated as one of Hartford's 10 emergency first aid units and also a public air raid shelter.

## FIGURES FROM DEC. 31, 1941, STATEMENTS

	Total Assets	Change in Assets	Surplus to Policyholders	New Bus. 1941	Ins. in Force Dec. 31, 1941	Change in Ins. in Force	Prem. Income 1941	Total Income 1941	Benefits Paid 1941	Total Disburs. 1941
American Mutual Life...	30,996,800	+ 890,820	1,900,000	5,587,281	90,182,080	-684,407	2,994,379	5,020,386	2,430,601	4,144,093
Bankers Life, Ia....	266,668,878	+ 15,160,135	13,357,540 <sup>1</sup>	66,190,007	784,030,085	+ 21,120,153	25,405,823	42,660,186	20,467,812	27,462,106
Connecticut General....	319,802,808	+ 30,354,292	13,876,555	222,574,922	1,300,770,919	+ 89,568,221	47,359,674	71,324,405	23,869,270	40,563,935
Expressmen's Mutual...	10,737,364	+ 263,089	1,543,076	2,965,000	31,001,198	+ 729,659	763,690	1,205,861	729,760	942,761
Great-West Life .....	180,591,711	+ 7,093,504	6,801,015	56,712,112	622,692,574	+ 16,199,853	17,515,284	29,532,901	13,124,676	21,901,365
Girard Life .....	8,669,015	+ 171,285	1,118,898	3,544,240	34,187,648	+ 1,385,888	897,863	1,376,046	681,209	1,188,658
Guarantee Mut. Life....	27,379,449	+ 2,141,012	2,962,209 <sup>2</sup>	18,330,852	147,920,495	+ 8,632,897	4,297,377	5,953,673	2,044,795	3,770,494
Guardian Life .....	156,716,585	+ 8,128,934	6,297,360	44,633,415	515,649,969	+ 15,667,233	16,375,252	27,698,275	10,252,586	19,567,602
International Travelers <sup>3</sup>	608,353	+ 70,354	160,281	1,097,989	4,156,020	+ 324,928	110,346	228,055	30,225	155,401
Life of Virginia.....	119,474,896	+ 8,453,539	17,832,022	116,102,817	619,766,958	+ 54,615,454	18,111,244	24,782,852	7,054,695	16,805,376
Lincoln Liberty Life....	8,127,788	-102,356	364,352	6,893,199	34,687,899	+ 1,956,159	1,246,433	1,678,002	1,276,787	1,831,247
London Life, Can....	154,805,428	+ 10,990,850	7,787,593	130,712,925 <sup>2</sup>	782,047,209 <sup>2</sup>	+ 72,569,555 <sup>2</sup>	19,766,915	29,991,633	10,536,176	19,106,669
Loyal Protective Life....	2,488,758	+ 220,433	1,317,665	971,423	4,306,718	+ 473,163	138,578	1,528,445	19,259	1,236,442
Lutheran Mut. Life....	14,092,555	+ 1,829,062	1,453,699	10,245,007	77,673,650	+ 8,003,630	2,373,211	3,242,223	844,801	1,448,881
Mass. Mut. Life.....	765,956,829	+ 41,662,794	20,343,141	133,537,493	2,025,443,549	+ 35,757,567	66,725,605	123,212,272	47,163,668	86,413,294
Monumental Life .....	41,648,310	+ 4,382,297	4,861,379	81,518,194	360,202,168	+ 36,757,631	10,487,745	12,176,642	2,533,343	8,069,935
National Equity Life...	2,093,743	+ 196,159	252,391	3,648,058	14,220,124	+ 1,181,932	465,516	547,239	121,940	242,697
National Mutual Benefit	6,531,663	+ 362,040	901,864	3,095,990	37,056,873	+ 2,117,569	809,660	1,142,207	441,619	794,226
Northwest'n Mut. Life...	1,439,889,823	+ 80,890,175	69,006,030	236,009,899	4,044,674,863	+ 95,942,131	138,659,775	228,213,051	104,087,531	149,020,536
Ohio State Life.....	24,298,965	+ 1,836,823	2,453,771	13,315,521	110,074,328	+ 6,824,230	3,238,651	4,894,397	1,513,037	3,097,275
Old Republic Credit....	1,000,778	+ 78,801	372,666	66,314,249	63,593,306	+ 13,367,058	875,681	901,931	294,474	851,124
Penn Mutual Life.....	810,362,786	+ 37,798,373	35,025,537 <sup>1</sup>	138,704,763	2,026,091,917	+ 29,337,903	68,638,541	123,826,194	54,186,267	85,983,300
Philadelphia Life.....	14,761,332	+ 454,602	878,445	5,197,894	55,512,286	+ 1,032,308	1,533,221	2,378,300	1,138,702	1,910,264
Security Mutual, Neb....	7,436,301	+ 335,539	400,646	5,986,232	37,121,442	+ 2,680,458	888,916	1,315,530	481,956	981,743
Southwestern Life .....	83,670,960	+ 7,322,293	8,350,000	52,110,151	405,210,008	+ 24,077,074	11,749,563	17,011,735	5,157,217	9,783,662
Standard Life, Pa....	6,238,550	+ 221,395	479,425	2,101,095	20,421,246	+ 861,472	548,392	913,220	372,198	586,585
United Benefit Life....	19,954,715	+ 2,838,633	1,189,435	60,903,869	202,786,472	+ 32,629,904	5,302,722	6,810,161	1,335,237	4,152,938
Western Life .....	16,444,464	+ 928,368	2,410,000	10,893,804	56,682,964	+ 5,682,794	1,844,623	3,077,601	965,798	2,194,493

<sup>1</sup>Excluding reserve for security fluctuations and other contingencies of \$2,500,000.

<sup>2</sup>Includes \$1,000,000 contingency reserve.

<sup>3</sup>Includes industrial and group.

<sup>4</sup>Surplus reserve for mortality and asset fluctuations and other contingencies.

## 54th Annual Statement PROVIDENT LIFE AND ACCIDENT INSURANCE COMPANY Chattanooga - - Since 1887 - - Tennessee

December 31, 1941

ASSETS			LIABILITIES		
Cash in Banks .....	\$ 1,997,190.53	11.6%	Reserve Under Life Policies .....	\$ 7,463,706.97	
U. S. Government Bonds...	3,060,302.59	17.8%	Special Group Life Mortality Reserve	366,000.00	
State, County and Municipal Bonds .....	1,828,883.62	10.6%	Accident and Health Premium Reserve .....	1,353,907.81	
Railroad Bonds .....	267,498.48	1.6%	Accident and Health Claim Reserve .....	1,874,751.93	
Public Utility Bonds .....	683,808.90	3.9%	Accident and Health Epidemic and Catastrophe Reserve .....	1,000,000.00	
Industrial and Miscellaneous Bonds .....	789,401.52	4.6%	Accident and Health Commission Reserve .....	146,915.23	
Preferred or Guaranteed Stocks .....	459,237.50	2.7%	Reserve for Taxes .....	374,507.99	
First Mortgage City Loans...	4,793,708.60	27.8%	Investment Fluctuation Reserve .....	459,461.31	
First Mortgage Farm Loans...	50,019.54	0.3%	Reserves for Other Liabilities .....	228,537.52	
Policy Loans .....	1,138,126.70	6.6%			
Life Premiums Deferred or in Course of Collection....	453,245.00	2.6%	<b>Total Liabilities .....</b>	<b>\$13,267,788.76</b>	
Home Office Building .....	597,935.89	3.5%	Capital Stock .....	\$1,750,000.00	
Real Estate .....	125,869.31	0.7%	General Surplus .....	1,500,000.00	
Accident & Health Premiums in Course of Collection...	871,814.99	5.1%	Contingency Reserve .....	701,941.79	
Interest Due and Accrued and Other Assets .....	102,687.38	0.6%	<b>Surplus to Protect Policyholders .....</b>	<b>\$ 3,951,941.79</b>	
<b>Total Assets .....</b>	<b>\$17,219,730.55</b>	<b>100.0%</b>	<b>Total .....</b>	<b>\$17,219,730.55</b>	

## 1941 FACTS

Life Insurance in Force .....	\$176,406,810.00
Gain in Life Insurance in Force .....	28,675,006.00
Accident and Health Premium Income .....	8,768,564.37
Gain in Accident and Health Premium Income .....	1,279,551.74
Gain in Assets .....	2,644,019.49
Total Surplus to Protect Policyholders .....	3,951,941.79

**BENEFIT PAYMENTS TO POLICYHOLDERS AND DEPENDENTS SINCE ORGANIZATION** } \$61,689,412.60

625 Benefit Payments Made Every Working Day in the Year

W. C. Cartinhour  
Vice President and Secretary

**RATIO OF ASSETS TO LIABILITIES 130%**

Robert J. Maclellan  
President

Life . . . Accident . . . Sickness . . . Hospital . . . Group

## Better Persistency Record Is Seen

**Life Insurance Showed a Lower Lapse Ratio Than It Has for Years**

Last year proved a year of improved persistency so far as life insurance is concerned as more insurance was kept in force than in any year since 1920. These figures were released by the Institute of Life Insurance. Cash surrender values paid out in 1924 were at the lowest rate in 21 years when related to assets. The ratio of life insurance policy loans to assets is now the lowest since 1906.

President H. J. Johnson says the figures reflect both the increase of income of American workers and their greater appreciation of the need for maintaining family protection. As he looks forward to the readjustments which will follow the return from a war economy to a peace period, this back log of family security will help to cushion any possible shocks of the transition period.

### Surrenders Last Year

Total surrender values paid out last year decreased by \$115,217,000 to \$564,843,000. This compares with \$680,062,000 in 1940. It is nearly \$800,000,000 less than the 1933 peak total of \$1,356,612,000.

Loans on policies at the end of the year were estimated at \$2,920,000,000, a decrease of \$171,000,000 from the previous year. This is \$886,000,000 less than the depression peak of \$3,806,000,000. The ratio of policy loans to total assets dropped from 10 percent at the end of 1940 to 9 percent at the end of 1941, the lowest since 1906, and less than half of the 1932 figure of 18.3.

## Four-State Rally in Springfield, Ill.

John A. Witherspoon, president and several other officials of the National Association of Life Underwriters, with A. E. McKeough, president Illinois State Association of Life Underwriters, will meet Friday with some 60 representatives of local associations of Illinois, Indiana and two adjoining states at Springfield, Ill. This will be one of a series of meetings started at Winston-Salem, N. C., and continued at Jacksonville, Fla., and Jackson, Miss., whose purpose is to show what the National association membership means to local organizations.

In the party will be Max Hoffman, executive secretary National association; P. B. Hobbs, agency manager of Equitable Society in Chicago, and H. L. Rogers, Equitable Society agency manager in Indianapolis, national trustees. Headquarters will be the Leland hotel.

### National Association Host

The National association will be host at luncheon and also will pay the hotel expenses of those attending from a greater distance than 50 miles.

Another meeting will be held Feb. 20 in Sioux City, Ia., and others through the west this month.

These meetings were devised by Herbert A. Hedges, general agent of Equitable Life of Iowa in Kansas City, who is national secretary, as a means of doing a better job of selling the many advantages of having a national association. Mr. Hedges is in charge of general arrangements for the series.

### Extension Course in Detroit

The Detroit C.L.U. chapter has made arrangements with the University of Michigan extension division to present courses leading up to examinations for the C.L.U. designation in Detroit this spring.

## Agents' Job Is to Save Institution

**Beatrice Jones Says Great Power in Daily Contacts Undeveloped**

The big job ahead of the life agents of this country is to save life insurance as a free, democratic institution by using the great power they possess in the daily contacts with policyholders and prospects, Beatrice Jones, Equitable Society, New York, told the Women's Division of the Chicago Association of Life Underwriters at a meeting this week.

"Don't think that because Hitler took the minds of those in Washington away from life insurance it is forgotten," she said. "We will have the threat of government control. We had better start to save democracy by saving one thing that is most vital to it—life insurance as a free enterprise. We can't complacently accept the thought of government control unless we are willing to see this wonderful democratic institution, which is not big business, go by the boards."

### Agents Must Be More Vocal

"You are the voice. You contact daily the people who will determine whether or not life insurance will remain free. It is most important to keep this beautiful thing from becoming a political football. I can't urge too strongly that you become conscious of that peril."

She said the women from time immemorial have been realistic. The women of the country can save life insurance. Agents should get into their hearts and minds the philosophy that every time they place a policy or serve a client they are doing a service to America and not merely conducting an interview to make a sale.

The real job, she said, is to produce thousands of allies in the public, so that when the threat comes these allies will save life insurance.

"If all the 66,000,000 policyholders had been sold so they thought life insurance was the only possible answer, what chance would there be for the government to take over?" she asked. "Instead the people have been taught that life insurance was big business, which it is not. It is big because anything dealing with so many millions is bound to be big. But it is a marvelous cooperative enterprise."

### Same as European Pattern

"I would like to believe that this country had learned enough in the last 25 years not to make the same mistakes that were made in Europe, but it has started out on the same pattern."

"In our business now we have to think about what we can do to save what is important here. We must learn to use the power of speech to express our freedom. This is a practical thing we can do. The life insurance salesman wasn't practical for so many years. He was unaware of his great power. He wasn't using it."

"We have something to offer—emotional serenity. The people now want to talk to someone who is not scared to death. We can present life insurance because we know it is sound."

"I believe this is the most important time in life insurance history for us to identify ourselves with our trade associations. This will serve to create and maintain unity and a sharing of responsibilities that face us."

### Appeals for Blood Plasma

Miss Jones, who is president of the New York City Life Underwriters Association, was presented by Sara Frances Jones, Equitable Society's "Millionaire" woman producer of Chicago. Bessie M. Dixon, John Hancock, division presi-

(CONTINUED ON PAGE 19)

## Scans Canadian Record for Lessons for U. S.

J. Harry Wood, second vice-president of John Hancock Mutual Life, has made some interesting observations on the trend of insurance sales in Canada during war time. There is a great deal of interest just now in reviewing the war time record in Canada and England because of the possibility that a somewhat parallel course may be run here.

Mr. Wood finds that there has been no perceptible change in the kind of policies sold in Canada. Despite increased taxes persistency of old business is improving at a satisfactory rate. The greatest increase in income taxes in Canada has hit those in the \$5,000 to \$15,000 group and sales in this group have decreased. Sales in the higher income groups have increased due presumably to the fact that succession duties have been doubled.

Just before a standard war clause was adopted by all Canadian companies there was a spurt in new business for a few weeks, then there was an immediate falling off of 10 to 30 percent

## STOCKS

H. W. Cornelius of Bacon, Whipple & Co., 135 So. La Salle street, Chicago, gives the following stock quotations of life companies as of Feb. 9, 1942:

	Par	Div.	Bid	Asked
Aetna Life . . . . .	10	1.40*	25 1/2	27
Conn. Genl. . . . .	10	1.00	23	24 1/2
Contl. Assur. . . . .	10	2.50*	39	42
Life & Cas. . . . .	3	.50	9	10
Lincoln Natl. . . . .	10	1.40*	27	29
New World Life . . . . .	10	.30	3 1/2	4 1/4
N. W. Natl. Life . . . . .	7.50	.30	7 3/4	8 3/4
Ohio Natl. Life . . . . .	10	1.25	26	29
Old Line Life . . . . .	10	.75*	10 1/2	12
Travelers . . . . .	100	16.00	368	380
Wis. National . . . . .	10	1.00	16	18

\*Includes extras.

but thereafter business began to improve so that by the end of the first year of the war, production was back to normal. The second 12 months showed continued improvement. The last three or four months have shown a large increase in production.

The biggest increase in buyers both in number and total amount is in the group having incomes from \$2,000 to \$5,000 and he points out that to reach this class the agent must engage in much night work. Less formal programming is being done and prospecting is less of a problem.



## ANOTHER MILESTONE

Another year has elapsed and in all respects it proved to be one of the best in the 62 years of Minnesota Mutual operation.

Considerable credit for the splendid results revealed by the company's 1941 statement is due the men in the field for an excellent performance.

### We offer:

1. A liberal agency contract.
2. A plan for financing your agency.
3. Accounting methods to guide you.
4. Proven plans for finding—training agents.
5. A liberal financing plan for your agents.
6. A unique supervisory system.
7. Organized Selling Plan.
8. Unusually effective selling equipment.
9. Policies for every purpose: Regular — Family — Juvenile — Women — Group — Payroll — Savings — Social Security, etc.
10. Low monthly premiums.

A \$250,000,000 Mutual Company, with an understanding, cooperative Home Office.

**THE MINNESOTA MUTUAL LIFE INSURANCE COMPANY**

Saint Paul, Minnesota



## John Hancock Men Meet in Boston

### General Agents Association Confers with Officials on 1942 Trends

Sweeping social and economic changes have served to multiply the difficulties in selling life insurance, perhaps out of proportion with the rewards from increased business volume, President Guy M. Cox of John Hancock told a meeting of the General Agents Association at Boston. Principles accepted as fundamental have been swept aside. Yet, there is much production in prospect due to increased national income, and the sound old principle of doing a good day's work still holds true.

J. H. Wood, second vice-president, announced production gain of 29 percent in ordinary last year. December and January issue was equivalent to five months' normal issue. January was 143 percent ahead of last year in paid for volume. Total production credits, including group lines, and annuities, were the largest in history, being 42 percent over 1941 and 120 percent over 1936. Full time agents had the largest ordinary production for any year in history, an increase of 22 percent over 1940. He predicted increasing expansion in life insurance writings.

### Expects Many New Prospects

Mr. Wood said the life business is built on changes in life situations; 1942 will be a year of change, and this will bring a world of new prospects.

The shift in relative incomes in 1942 compared with 1936 was illustrated by Paul F. Clark, vice-president, through charts, which show this shift has caused greater increases in percentages of optional spending power in lower income groups than in higher brackets. The number of people in the life insurance market has increased and hundreds of thousands of people have become better prospects, almost overnight, he said.

Vice-president Clark said that where the group earning \$5,000 a year or over had one dollar in optional spending power in 1935-36, in 1942 it will have 86 cents; the \$3,000-\$5,000 group in 1935-36 had \$1 and now has \$1.86; \$2,000-\$3,000 group has \$4.43 compared to \$1 in 1935-36; \$1,000-\$2,000 group \$17.29 as compared to \$1, and the "under \$1,000" group, \$10.66 as against \$1. These results come from changed economic conditions and the new philosophy for redistribution of national income and wealth, he said.

### Greater Number of Sales

It is possible the size of the average ordinary case sold to people in higher income brackets will decrease, Mr. Clark commented, but the ordinary agent will write a larger number of cases than in the past. All forms of mass insurance will greatly expand in volume. There will be 30 millions more optional spending power than five or six years ago, and because of defense work, the amount of normal consumer goods will be greatly restricted. Even though some form of compulsory saving is imposed, there probably will remain heavy excess funds when measured against the quantity of goods available for purchase, Mr. Clark concluded.

C. B. Johnson, Boston, general agent, discussed pension trusts.

The corporation tax situation provides a fine entree, he said. A pension plan for the exclusive benefit of employees is a deduction corporations may take as an authorized item of expense. However, he warned the social aspect must be the main method of approach. There must be a desire of employers to assist employees to retire at a certain age with an adequate amount of income to live comfortably.

"Some corporations will be subject to a corporate tax of well over 70 percent

this year," he said. "There will be untold thousands which will pay over 30 percent. If an employer can maintain existing personnel, he may save himself many times the cost of the plan. It creates a spirit within the organization that will help in every phase of management."

An obstacle to the sale of pension trusts recently was removed in the decision to exempt the life insurance portion from tax. Formerly the only policy which received full tax benefit was one without life insurance. But under the new decision it appears contributions by employers for life policies would not be considered taxable income to employees, Mr. Johnson said.

### Gives Formula for Pensions

The pension should be substantial enough to represent a desirable income to the employee. Mr. Johnson suggested this formula: For employees earning under \$3,000 a year, a pension including social security equal to no less than 40 or 50 percent of present salary; for employees between \$3,000 to \$6,000, at least 40 percent; for no employee should there be less than 33 percent of salary. He urged going directly to the top man with the story of what a pension trust can do.

W. B. Bartlett, medical director, and F. J. Keefe, manager underwriting department, took part in the program. Dr. Bartlett outlined difficulties of the medical department. Large cases require special study which requires time, he said. Mr. Keefe said a problem of his department is measuring the value of a key man in a business insurance case. If the man's services are worth double his salary and he can be replaced in five years, a suitable limit of key man insurance is five times his present compensation. At higher ages this should begin to grade down sharply, and if he is over 60, and therefore approaching the end of his business career, many companies will not issue.

### Advisory Committee on Minn. Licensing Named

ST. PAUL—Commissioner Johnson has named 39 well-known Minnesota insurance men representing all branches of the business on an advisory committee to revise the licensing system and help prepare questionnaires for prospective agents in an effort to weed out the unqualified. The committee includes:

Life Insurance—E. J. Sherman, president Minneapolis Association of Life Underwriters; H. J. Cummings, vice-president Minnesota Mutual Life; W. F. Grantges, agency director Northwestern National Life; Carl W. Kleifgen, president, Minnesota association; John J. Steger, president St. Paul association; Donald Barnes, president Duluth association; Adrian Fisch, Fairmont, and L. N. Bennes, Thief River Falls.

Health and Accident—C. R. Kate, state manager Mutual Benefit Health & Accident; H. P. Skoglund, president North American Life & Casualty; C. O. Brown, Rochester; A. H. Nelson, Travelers, Minneapolis, and C. F. E. Peterson, president Progressive Mutual, Minneapolis.

### Explain Tax Savings Statement

F. L. Morton, Myrick agency, Mutual Life of New York, New York City, in the Jan. 23 issue was quoted as saying: "On a \$100,000 taxable estate, the \$40,000 exemption is equivalent to a \$57,970 tax saving." In answer to an inquiry on this statement, Mr. Morton said that \$40,000 life insurance exemption is equivalent to \$57,970 in taxable property and the actual tax saving would be \$17,970.

"Putting it another way," Mr. Morton explained, "if a taxable estate is valued at \$100,000 and the owner has no life insurance, he can purchase \$40,000 of life insurance payable to named beneficiaries, thus, leaving \$40,000 net to his beneficiaries in addition to what they will get out of the \$100,000 estate. In order to equal this proportion, this \$100,000 estate owner must accumulate an additional \$57,970 in order to leave

\$40,000 of net estate to his beneficiaries in excess of what they will get from the present \$100,000 estate."

### Announce Programs for Chicago Regionals

Schedules and programs for the three regional meetings to be conducted by the Chicago Association of Life Underwriters were announced. The south side meeting will be March 6 instead of Feb. 13 as scheduled; the west side meeting Feb. 20 and the north side meeting Feb. 27. The west side meeting will be held in Parkholme Community House, with F. P. Clish, John Hancock, in charge; north side, in Chase Park Assembly Hall, H. A. Franke, National L. & A., in charge; south side, at Tuley Park assembly hall, John M. Caffrey, John Hancock, in charge.

A sales movie will be shown at each of the meetings with Harry Kerr,

Travelers, in charge. Talks will be made by President W. N. Hiller on "Your Association and Defense," W. E. North, New York Life, "Keeping Yourself in Focus," P. B. Hobbs, Equitable Society, on "Put in a Little More and Take Out Much More," C. V. McElroy, Metropolitan, on "Relationship of Home Defense to National Defense," and C. J. Zimmermann, Connecticut Mutual, on "You Too Can Serve."

### Kan. Sales Congress April 24-25

April 24-25 has been set for the annual meeting and sales congress of the Kansas Association of Life Underwriters at Emporia. Harold Lunsford, Farmers & Bankers, general chairman, is holding a meeting of committees Feb. 14 to prepare plans. The general agents will gather the first day for their golf tournament and sales seminar that evening.

★

## BUY DEFENSE BONDS AND STAMPS

... That is the duty of every American. But remember, too, that life insurance is also playing a vital role in our all-out war effort.

Life insurance dollars not only build financial security for the insured and protection for his family, but they also help win the war in these specific ways:

### 1. Insurance Preserves National Stability and Morale . . .

Through Connecticut General alone 590,000 policyholders have \$1,300,700,000 protection. During 1941 Connecticut General paid \$26,402,748 to policyholders and beneficiaries. The security of American families and the national morale gain much from the stability that life insurance provides.

### 2. Insurance Acts as a Brake on Inflation . . .

Any nation faced with a greatly increased national income and a decreasing availability of consumer goods must guard against excessive price increases. Part of this increased national income will be invested in Defense Bonds and Stamps; an important part in insurance premium payments. Both do an important job of building individual and national security.

### 3. Insurance Dollars "Go to War" . . .

Connecticut General has a total of \$173,246,000 invested in government bonds, public utilities, railroads, farm loans and defense housing . . . money which is providing, directly or indirectly, specific aid to our all-out war effort.

### 77th ANNUAL REPORT

Assets.....	\$319,802,808
Reserves and other liabilities.....	300,048,253
Contingency funds.....	5,878,000
Capital and surplus.....	13,876,555

Life insurance premium income....	\$47,359,674
Accident insurance premium income.....	4,449,165
Total income.....	71,324,405

New paid life insurance — gain over previous year 29.7%.....	\$ 222,574,922
Life insurance in force December 31.....	1,300,770,919

Payments to policyholders and beneficiaries	
Year 1941.....	\$ 26,402,748
Since organization	381,275,126

Thus the facts show that life insurance today helps to supply two national essentials: "war dollars" for national security, and individual security and stability for American families.

*Connecticut General*

LIFE INSURANCE COMPANY

Hartford, Connecticut

Life Insurance, Accident and Health Insurance, Salary Allotment Insurance and Annuities, All Forms of Group Insurance, and Group Annuities.



## EDITORIAL COMMENT

### Was It a War Clause Boom?

THE abnormally large December business of the Canadian companies, closely paralleling that of companies in the United States, indicates that imminence of war clauses was not the only reason for the public's willingness to buy life insurance which swelled the December total to such mammoth proportions. Canadian companies have been including war clauses in their policies for the last two years, so it could not have been a rush to beat the deadline that caused the Canadians to rush to buy. Canadian companies, of course, do a considerable amount of their business in the United States but not enough to account for the December rush.

This phenomenon ties in with the unexpected volume of applications received since the war clause deadlines went into effect. It seems likely that the same causes are at work which have caused

Canadian and English life insurance production to increase despite war clauses and incomes hit by heavy taxation. Apparently in times of war the public no longer thinks of death as something remote that only happens to other people. The escapists desire to avoid thinking about one's own demise has been weakened by war—particularly by a type of war that involves civilians as well as combatants.

Logically it is no more sensible to buy life insurance because a war is going on than it is in times of peace. But if the public is more willing to buy in wartime life insurance men would be still less logical if they failed to sell needed coverage to the prospect who wants to buy because there is a war rather than because his family would be in tough shape if he should die, war or no war.

### Better Make It "Siphon"

ONE of the most frequently used words these days is "siphon." It is used in reference to the value of defense bond purchase in reducing the spendable income for consumer goods and also to the purchase of life insurance and other forms of savings to the same end. Some writers are spelling it "siphon"

and others "syphon," so that the editor was forced to look it up in the dictionary. He finds that "siphon" is preferred and is happy to pass this word along to save any readers who might be troubled by the problem from having to make a trip to the dictionary. Every saving counts.

### Getting Down to Brass Tacks

It is always refreshing and illuminating to have a company official give some definite figures showing the results of a policy it has adopted, concerning which there is no doubt. Life companies have been studying for some time the effect of keeping men under contract who really do not produce a sufficient amount of business to warrant the expense involved. Some of these are on a part time basis but there are numerous ones who are giving all their time or supposedly so to writing insurance who cannot make the grade.

Vice-president F. H. Haviland of the Connecticut General in a recent address said that this is a most excellent time for a "purge" in life insurance offices. It is not so difficult for men to get jobs. If a person has any handicraft, is handy with tools or has some executive ability he can get something to do that is remunerative.

Certainly those companies that have raised their standards quite materially for production are able to point to most

desirable results both in quantity and quality.

For instance, Mr. Haviland said that the Connecticut General adopted the requirement that every agent must produce annually at least \$3,000 in premiums. If an agent is writing any less amount the natural inference is that he cannot live comfortably on his commission. He cannot maintain his standing in the community with his clients and prospects. He perhaps is finding it most difficult to meet his obligations and, in fact, may have a black mark against him on the credit list of stores. Such a man, as Mr. Haviland said, cannot give the right kind of advice to purchasers of insurance. If he is not successful in writing any more than what \$3,000 in premiums means he cannot function properly, in the minds of many agency leaders. In commenting on what his own company had accomplished he said that its new policy resulted in a 50 percent increase in number of agents who made over \$4,000 and

also a large increase in number who qualified for honor clubs.

Other companies that have established minimum standards are able to record a much better quality of business, a larger production per capita and their expense ratio has decreased. Probably companies that have a number of

agents writing a very small business are afraid to take the step of cutting them off not knowing where their business can be replaced. It does take some courage to do the needful but a minimum standard policy does work and the minimum that is required should not be too small.

## PERSONAL SIDE OF THE BUSINESS

**Harry K. Coffey**, Portland, Ore., manager of Mutual Benefit Health & Accident and United Benefit Life, has been appointed commander of the civil air patrol for the ninth district consisting of Oregon, Washington, Nevada, Idaho, Montana, Utah, Hawaii and Alaska.

**Robert V. Hatcher**, vice-president Atlantic Life, was elected a director of the Richmond chamber of commerce, and appointed a member of the municipal affairs committee.

**Wayne L. Bennett**, general agent at San Angelo, Tex., for Republic National Life, overturned in his car while returning from a night call and sustained injuries from which he was unconscious several days.

**S. G. Matyas**, Hazleton, Pa., general agent of Ohio State Life, has just completed his 12th consecutive year as a member of the App-a-Week Club. He has qualified for the President's Club or Honor Club each of these years.

**Nathaniel Reese**, veteran Detroit general agent of Provident Mutual Life, has been made a life member of Palestine Masonic Lodge.

**Matthew L. Brock, Jr.**, group representative of Provident Life & Accident, was married to Miss Mareta R. Clary.

**Horace Mecklem**, Portland, Ore., general agent of New England Mutual Life, is also treasurer of the Timberline Lodge on Mount Hood, and takes much pride in its success.

President **Morgan B. Brainard** of Aetna Life, entertained officers of the four companies at a dinner Monday evening, following a custom of the president in entertaining the official staff preceding the annual meeting of stockholders of Aetna Life and its affiliates.

**Claris Adams**, president Ohio State Life, spoke before the chamber of commerce at London and Mansfield.

## DEATHS

**Charles H. Boyer**, who was best known in the business as manager of the accident and health department at the head office of the old National Life, U. S. A., of Chicago, died at Ft. Myers, Fla., where he had gone with Mrs. Boyer for the winter. He had been in poor health for about a year, but had continued to serve as agency organizer and director of Lutheran Brotherhood. Just before going to Florida he had been organizing the Illinois office of Lutheran Brotherhood. A son-in-law, Harold D. Foster of Harrisburg, is Pennsylvania state manager of Lutheran Brotherhood.

A brother, Dr. M. S. Boyer, who was

president of National Accident & Health of Philadelphia, died last December. A third brother is John B. Boyer who succeeded his brother as president of National A. & H.

C. H. Boyer started in the business in 1897 as a personal producer and general agent in New York and Connecticut. In 1902, in collaboration with Dr. M. S. Boyer he organized the industrial health and accident department of General Accident of Philadelphia and for nine years served as manager of that department. Then for 11 years he was manager of the accident and health department of National Life, U. S. A. When U. S. National Life & Casualty was organized to reinsure the A. & H. business of National Life, U. S. A., he became vice-president and general manager of that company, which developed an accident and health premium of about \$4,000,000. When U. S. National Life & Casualty was taken over by Washington Fidelity National, now Washington National, Mr. Boyer retired for a time and then organized Twentieth Century Life in Chicago in 1927. This company went through a series of name changes and a merger and is now Old Republic Credit Life of Chicago.

Mr. Foster was associated with Mr. Boyer at U. S. National Life & Casualty and also at Twentieth Century Life.

Funeral services were held at Harrisburg, Pa., and burial was at the old family home in Marklesburg, Pa.

Memorial services were held at the Virginia Military Institute for **George B. J. Handy**, its first graduate to be killed in the present war. He was a son of Bolling H. Handy, president of Mutual of Richmond, Va. A graduate of the V. M. I. in 1940, he was killed in action in the Philippines while serving as an artillery lieutenant.

**Dr. Charles L. Best**, medical director of Bankers Mutual Life, Freeport, Ill., for 30 years, died at the age of 62. He had suffered from heart attacks for several years.

Dr. Best was born in Freeport and always lived there. He was chief of staff of St. Francis hospital, and past president of various medical societies. He was one of the city's wealthiest men, being chairman of Northwestern Telephone Company, director of the State Bank and of the Illinois Northern Utilities Company. His successor has not been selected.

This was the second death among the officers in a brief period, as M. V. Peasley, vice-president and secretary, son of President J. C. Peasley, died three months ago.

Order four copies of Albert Hirst's "When a Man Dies" for \$1 from National Underwriter.

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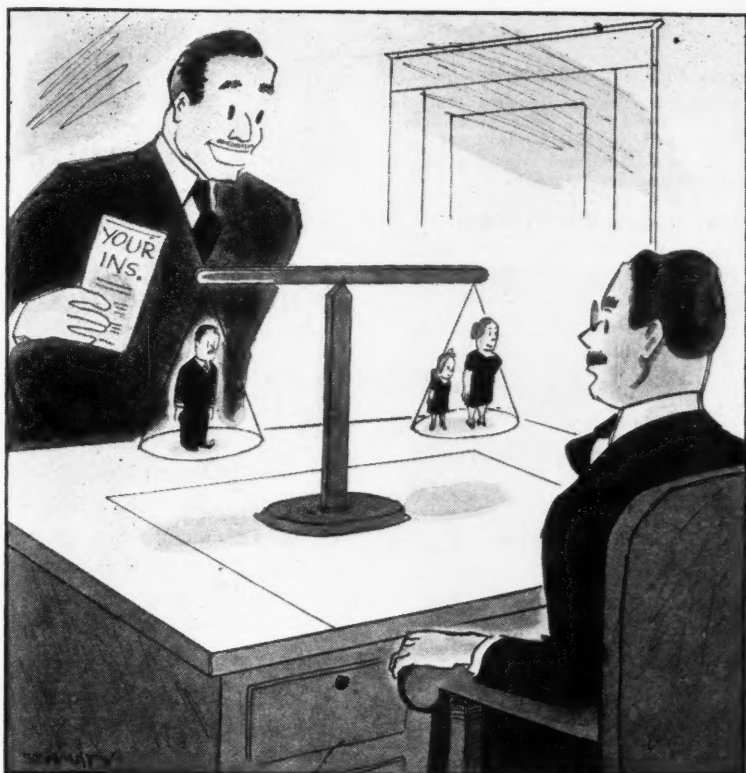
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"Here's how I figure, Bob. With you here your family's finances stay in balance. Take you away—what happens? ... well it doesn't if insurance takes your place!"

## NEWS OF THE COMPANIES

### Franklin Life Enters A. & H.; W. M. West at Head

Franklin Life of Springfield, Ill., is preparing to add a complete line of accident, health and hospitalization insurance.

W. M. West will be vice-president and general manager of the A. & H. department. A. W. Mason will be secretary of the department.

Mr. West, who was formerly president, and Mr. Mason, formerly secretary and director of United Life of Salina, Kan., now are organizing the department, drafting policies, and preparing to begin active sale within the next month or two. Since the Franklin home office is filled to capacity the new department is temporarily housed in the old Abraham Lincoln building.

#### Franklin Life Recently Reinsured

Mr. West started his insurance career in Dallas with Continental Casualty and made a conspicuous success in the southern area. Mr. West became superintendent of agents at the home office, and later founded an insurance agency in St. Louis, and then one in Denver which is still being conducted by his son. In February, 1940, Mr. West was elected president of United Life.

Mr. Mason started in the business after serving in the last war. After two years of selling experience, he joined Columbia Life of Fremont, Neb., of which his father was president. After nine years he spent three years in the home office of Omaha Life, and then was associate actuary for Lincoln Liberty Life. Last year he was elected secretary and director of United Life.

A staff of former United Life employees has been moved to Springfield to handle the A. & H. work.

Penn Mutual Life will lease 4½ floors of its home office building in Philadelphia to the U. S. army for engineering use.

### Aetna Life Men Are Advanced

HARTFORD—A number of changes have been made at the home office of Aetna Life.

Field Supervisor N. M. De Nezzo, life agency division, has been promoted to



N. M. DE NEZZO

assistant superintendent of agencies; Earl R. Carter, life underwriting division, was elected assistant secretary; and Robert D. Swinehart was elected assistant manager of the mortgage loan division.

### F. L. Merritt Resigns as Monarch Life Executive

BOSTON—Francis L. Merritt has resigned as vice-president and agency manager of Monarch Life of Springfield, Mass. Mr. Merritt has been with Mon-

# U. C. WROTE A LETTER TO 25,000 MEN OF MEANS...

*And over 6,000 of  
them answered!*

U. C. AGENTS  
ARE NOW  
CASHING  
IN ON THE  
WEALTH  
OF FINE LEADS  
THIS ONE  
CIRCULARIZATION  
PRODUCED



• Here is the amazing story of a recent Union Central circularization.

Early last fall it became apparent that the Federal Estate Tax Law would be changed. Union Central closely followed the progress of the bill through the Senate and House Committees, and as the changes in the law were verified, the copy in Union Central's Tax Booklet was corrected. The day the President signed the new law, Union Central's revised Tax Booklet went to press!

U. C. then offered this booklet in a special mailing to 25,000 executives selected on a country-wide basis.

6,000 replies are already in! And this astonishing 25% return represents six thousand excellent leads for Union Central agents ... leads which are being followed up, capitalized upon right now!

Here is a remarkable example of home office efficiency, of timely enterprise and of agency force co-operation. It shows again why U. C. is known as an "agents' company."



**The UNION CENTRAL LIFE INSURANCE COMPANY**  
CINCINNATI, OHIO

arch for the past nine years and before that was an agent for Connecticut Mutual Life. Mr. Merritt has not announced future plans.

## Silloway Mutual Life Treasurer

NEW YORK.—Stuart F. Silloway, assistant financial manager of Mutual Life, has been elected treasurer. Mr. Silloway succeeds G. C. Turner, who is retiring July 1 after 47 years with the company, and who will be on leave of absence until that time.

Mr. Silloway joined Mutual Life's financial department in 1933, and became assistant financial manager in 1939. As treasurer, he becomes one of the youngest life insurance executives to hold so responsible a position. Mr. Silloway formerly was with the investment firms of Webster, Kennedy & Co. and Kidder, Peabody & Co.

He was born in Newburyport, Mass., in 1906 and attended Wesleyan University, where he specialized in economics.

## Two New Supervisors for Equitable of Iowa

J. R. Ward, former Grand Junction, Colo., general agent, and C. O. DuBois, former California special representative,



C. O. DuBois

J. R. Ward

have been appointed home office field supervisors by Equitable of Iowa.

Mr. Ward entered life insurance on graduation from the University of New Mexico in 1928. In 1934 he joined Equitable of Iowa as an agent, and soon went to Grand Junction as district agent, becoming general agent there in 1940.

Mr. DuBois became a member of Equitable's San Francisco agency in 1931. In 1934 he entered general agency work. Last August he returned to Equitable.

## Batchelder Assistant Treasurer

W. C. Batchelder has been promoted to assistant treasurer by United States Life. He joined the company in 1936 as manager of the real estate and mortgage department and will continue to handle these duties in addition to his new office. Prior to 1936 he was connected with Bond & Mortgage Guarantee Company for four years.

## Liquidate Small Company

LINCOLN, NEB.—As no one appeared to show cause why National Progressive Life of Omaha should not be declared insolvent, the district court here entered an order adjudging it to be unable to meet its obligations. Insurance Director Fraizer was named liquidator. The last available figures,

1939, showed the company had \$31,701 in assets.

## Davenport Named Assistant Director of Sales

DALLAS.—R. R. Davenport becomes assistant agency director of Southwestern Life. He has been assistant director of sales since October, 1939.

He was an honor graduate of Southern Methodist University, 1931, then was superintendent of public instruction in several west Texas schools before joining Southwestern Life in 1933 as an agent in Munday, Tex. For five years he had a successful sales record, being a charter member of the Top Club.

Mr. Davenport in 1938 became assistant branch manager in Houston territory, and was transferred to the home office in 1939 as assistant sales director. He is a C.L.U.

## Spokane Company's New Officers

R. J. Martin, prominent Spokane, Wash., local agent, has been elected vice-president of Great Northwest Life of Spokane. He is a past president of the Washington Association of Insurance Agents.

Gordon R. Bingham, actuary, also has been made a vice-president and



R. R. Davenport

Stuart R. Robertson has been elected secretary.

## Manhattan Life Passes \$100,000,000 Mark

Manhattan Life has reached the figure of \$100,000,000 insurance in force. During 1941, insurance in force increased by \$11,664,000, the best gain experienced in its history.

## Lander Named Vice-President

Newton J. Lander, managing director of Continental Life of Canada, has been appointed vice-president as well as managing director. Mr. Lander has been associated with Continental for 42 years and is president of the Life Insurance Institute of Canada and a past president of the Canadian Life Insurance Officers Association.

## Changes in Charlotte Company

John R. Pender, formerly treasurer, has been elected vice-president and J. A. Law, formerly assistant treasurer, becomes treasurer of Pyramid Life of Charlotte, N. C.

## Prudential Claim Shifts

Walter R. Dunn, manager of the ordinary claim department of Prudential has been made assistant supervisor of that department. Chester A. Van Nostrand, assistant manager of the department, becomes manager.

## Interstate L. & A. Promotions

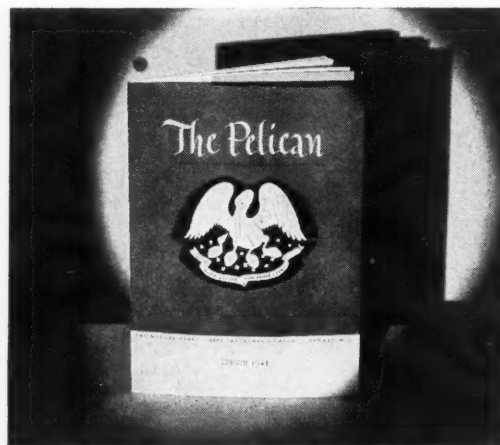
Three home office men have been advanced by Interstate Life & Accident.

T. L. Montague, Jr., is elected assis-

**Mutual Benefit** fieldmen like THE PELICAN, the Company's monthly publication to the field. THE PELICAN presents currently useful sales information and interesting news from the agencies.

It derives its strength from the leading fieldmen of the Company and carries their contributions to every Mutual Benefit representative.

In two successive years, 1940 and 1941, THE PELICAN has been awarded highest honors by the Life Insurance Advertisers Association • THE MUTUAL BENEFIT LIFE INSURANCE COMPANY • ORGANIZED 1845



HOME OFFICE: NEWARK, NEW JERSEY



**Yarns**  
from our  
**Spinning Wheel**

## Tin Hats and Felt Hats

Last fall, New England Mutual ran an advertisement in leading national magazines to remind the country at large of the significance and dignity of the day-by-day work of America's life underwriters.

Under a dramatic illustration of bomb-torn London was the caption—"Not all Protection Wardens wear tin hats!" The message went on as follows:

*"Here in America, busy men with plain felt hats in place of tin ones provide protection day and night for countless homes.*

*"They're not digging wounded children out of debris—but they are sending thousands of healthy children through school and college. They're not snuffing out incendiaries on neighboring roofs—but they are helping the families under those roofs to carry on, after death has struck without a warning siren.*

*"Who are they? They are the trained and experienced life insurance men and women of America, who are helping families to set up defenses that are certain in uncertain times."*

Now, more than ever, since Pearl Harbor, you men in the field have a real duty to provide protection on the home front. There are few non-military jobs that surpass yours in importance.

Are you measuring up to your commission?

**New England Mutual**

*Life Insurance Company*

THE FIRST MUTUAL LIFE INSURANCE COMPANY CHARTERED IN AMERICA • 1835



tant secretary; Floyd C. Delaney, controller, and David F. S. Johnson, assistant manager of agencies. Mr. Montague has been with Interstate 11 years, Mr. Johnson five years and Mr. Delaney seven years.

#### Albin Heads Lincoln Liberty

Joseph Albin, who has been secretary and general manager of Lincoln Liberty Life of Nebraska since its organization, has been elected president to succeed Ira Crook, who becomes chairman of the board.

#### Knight Is Assistant Secretary

J. B. Knight, manager of the policy department, has been made assistant secretary of Lamar Life. He was formerly assistant professor of business administration at Mississippi State College.

#### Toner John Hancock Director

James V. Toner, president of Boston Edison Company, has been elected a director of John Hancock Mutual.

Policyholders of **Oklahoma Benefit Life Association**, Enid, Okla., have voted to reorganize and convert it into a stock company.

## NEW YORK

#### IVES & MYRICK CELEBRATION

Agents and the clerical staff in the Ives & Myrick agency of Mutual Life celebrated the 100 percent subscription to the company's defense bond payroll deduction plan. Vice-Presidents Julian Myrick and J. Roger Hull spoke. An agency service flag, containing nine stars representing members of the agency who have entered the service, was dedicated.

#### DEATH BY EXECUTION ISSUE

Federal Judge Moscowitz in Brooklyn has held against Prudential which denied liability under a \$12,000 policy on the life of a notorious murderer who was executed, on the ground that such payment would be against public policy. The assured was Martin "Bugsy" Goldstein who was executed June 12, 1941, for his part in the murder of Irving Feinstein. Judge Moscowitz stated that the point at issue had never been passed on by the court of appeal and that the law of New York does not void the insurance of one who is executed.

#### PRUDENTIAL MEDICO TO SPEAK

The Life Supervisors Association of New York will be addressed at a meeting Feb. 17 by Dr. Paul V. Reinartz, assistant medical director of Prudential, on "Current Trends in Medical Underwriting."

Order four copies of Albert Hirst's "When a Man Dies" for \$1 from National Underwriter.

## AGENCY CHANGES

#### Conn. General Converts Albany Unit to Branch

McIntyre Fraser, Jr., has been appointed manager of the new Albany branch of Connecticut General Life which replaces the Harry M. Clark



MCINTYRE FRASER, JR.

general agency. Mr. Clark who has asked to be relieved of management duties will devote his full time to personal production.

Mr. Fraser attended Princeton University. In 1932 he entered the business in New York and by 1936 had progressed to assistant manager of an agency. In 1940 he went to Hartford as assistant manager of the home office agency of Connecticut General.

#### Parker Named Milwaukee Branch Manager by Acacia

MILWAUKEE—James P. Parker has been appointed manager of the Milwaukee branch office of Acacia Mutual Life, succeeding B. W. Reagles, who recently resigned and has rejoined W. E. Quinn, general agent of National Life of Vermont as a personal producer. Mr. Reagles started in life underwriting in the Quinn agency in 1930 and several years later went to Acacia.

Mr. Parker was an agent and later brokerage manager for the Thurman agency of New England Mutual Life in Chicago from 1931 until last April. Recently he has been serving as an agency supervisor for Acacia out of the home office in Washington.

Lee Grant, who has been with the Dorr W. Frisbie general insurance

agency in Detroit for several years, has been appointed agency manager for the new agency there of Bankers Mutual Life of Freeport, headed by Mr. Frisbie. Mr. Grant has had life insurance experience.

#### Union Central Names Merriam in Worcester

Charles S. Merriam has been appointed manager of Union Central Life in Worcester, Mass., to succeed W. Gray Harris, who died recently.

Mr. Merriam since early in 1936 has been the Union Central's manager at Springfield, Mass. In the year prior to that he had been the district manager there for the Boston agency of Union Central.

He is a graduate of Syracuse University, 1919, and of Mount Hermon Academy. He was connected with a wholesale grocery firm then with a manufacturer of textiles until 1923 when he joined Connecticut General as an agent at Springfield, Mass. He had a successful sales record and was appointed unit manager by Connecticut General in the Springfield territory.

#### Buzard to Conn. Mutual in Seattle; Edmiston Resigns

Robert H. Edmiston has resigned as general agent of Connecticut Mutual in

Seattle, effective March 1. R. S. Buzard, formerly manager of Reliance Life, has been named to succeed him.

Mr. Buzard has had 12 years life insurance experience. After being graduated from the University of Washington, he joined Northern Life and made a notable personal production record. For the past six years he has served as state manager of Reliance Life. He is a past president of the Seattle Life Underwriters Association.

#### Trombold with Travelers in K. C.

Walter S. Trombold, who has been connected with Penn Mutual Life, has joined Travelers as a field assistant in the life department at Kansas City. He has been with Penn Mutual about 3½ years and previously was with S. H. Kress & Co.

#### Kentucky Mutual Appointments

Paul J. Brennan has been appointed general agent of the Kentucky Home Mutual Life at Cleveland, succeeding R. F. Schoenback, who will give his full time to personal production. M. R. Sibul has been appointed general agent at Indianapolis. General Agent M. H. Holliday, Jr., has moved his headquarters from Nashville, Tenn., to Bowling Green, Ky.

Mr. Brennan joined the company in October, 1936. He has been one of the top producers. Mr. Sibul joined the field

## CONFIDENCE... AND Victory!

**W**ITH grim but quiet determination the people of the United States and Canada carry in their minds and hearts the conviction of complete and final Victory over the enemies of freedom.

This will to win and to hold fast to their chosen way of life is reflected by nearly seventy million people throughout these two countries who continue to maintain their life assurance because they know it is the best means of ensuring future economic security for themselves and their families. Their confidence serves a dual purpose, for their savings have also made possible the great investments of the life companies in the National Defense and Victory loans of our North American democracies.



From the 1941 Annual Report:—New Assurances issued during the year: \$187,041,959. Total Assurances in force: \$2,971,747,088. Benefits paid during the year: \$88,312,394. Total Receipts: \$177,302,861. Total Assets at Dec. 31, 1941: \$992,761,140. Total Liabilities: \$961,313,800.

(Liabilities and other funds in the United States: \$377,239,983.)

For copy of Annual Report, apply to nearest branch

## GENERAL AGENT WANTED IN DAYTON, OHIO

Dayton is one of the most prosperous cities in Ohio.

A well-known Life Insurance Company, with its Home Office in the Midwest, wants a General Agent in Dayton, Ohio.

To the man who qualifies the Company will offer a General Agent's contract with liberal commissions, financial assistance, and Home Office helps that qualify salesmen to produce new business.

For information write in confidence to

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staff last year as general agent at Cincinnati. Mr. Holliday went with the company as an agent at Jackson, Ky., in September, 1937. He was appointed general agent at Ashland, Ky., and about a year ago he was moved to Nashville to take charge of the general agency there.

#### Poppke with Fidelity Mutual

W. R. Poppke, who has been in insurance for more than 25 years and more recently as assistant manager for Metropolitan Life, has been appointed associate manager of Fidelity Mutual Life, for northern New Jersey, working out of the office of Burr & Thomas, New York City. Mr. Poppke will have charge of six counties in northern New Jersey.

#### Capitol Life Makes K. C. Move

KANSAS CITY—The Capitol Life of Denver, which has had agents but no general agent in Kansas City for the past two years, has now opened offices in the Federal Reserve Bank building in charge of Leland Grading as general agent. Mr. Grading was three years with Union Central at Kansas City, then five with Bankers Life of Nebraska as general and special agent.

#### NEWS BRIEFS

Robert C. Ayres, office manager of the Wayne Clover agency, Penn Mutual Life, Kansas City, Mo., has been named supervisor of training. Carl G. Johnson, cashier, will take over also the office management function as well as his old duties.

Edward G. Mura, Kansas City general agent New England Mutual Life, has named Ernest L. McClure production manager. Mr. McClure has specialized in corporation and partnership insurance, pension trusts, insurance estate matters.

O. E. Groom, Des Moines, has been appointed supervisor of the Des Moines agency of the American Mutual Life by P. H. Luin, general agent. He will assist in training agents in seven south-central Iowa counties. He has been an agent since 1935.

Fred O. Ellis, field supervisor, Ft. Smith, Ark., for the last four years for the Campbell general agency of the Aetna Life at Little Rock, has returned to the latter city.

## SALES MEETS

#### Tri-State Agents Rally in Toledo Feb. 17-18

Northwestern Mutual Life agents in Indiana, Michigan and Ohio will hold their annual tri-state conference in Toledo, Feb. 17-18. Edmund Fitzgerald, vice-president; J. H. Jamison, director of field training and J. J. Hughes, assistant director of agencies, will attend from the home office and speak.

Others on the program will be E. A. Crane, general agent, Indianapolis; C. J. Hoffman, F. A. Morse, South Bend; H. B. Ruhl, Detroit; H. E. Haiman, Cleveland; Meyer Weiner, Lansing.

District agents will have a breakfast the second morning with C. A. Seys, Grand Rapids, Mich., presiding.

#### Republic National Has Seminar

Republic National Life held a three-day seminar in Dallas, directed by M. Allen Anderson, vice-president and director of agencies. President T. P. Beasley spoke. Guest speakers were Lem Swinney, Dallas general agent of Pacific Mutual, on "Prospecting," and Ben Williams, sales director of Southwestern Life, on "Agency Training."

C. P. Hilton of Albuquerque, J. G.

Oltorf of Dallas, Terry Thompson of Waco and E. R. Strong of McGregor discussed "Selling Under Present Conditions." Jess B. Hooten demonstrated his social security sales method. Agents participated in the one-day sales congress of the Dallas Association of Life Underwriters.

#### Mayfield Agency Rally Feb. 28

The J. R. Mayfield state agency of Midland Mutual Life will hold an agency meeting in Indianapolis Feb. 28. J. A. Hawkins, Russell S. Moore and Howard W. Kraft will attend from the home office.

#### Pioneer National Convention

The annual agency convention of Pioneer National Life will be held in the home office city of Topeka, Feb. 28. Last year new business increased 33 percent.

#### Geo. Washington Life Rally

George Washington Life will hold its annual agency convention at the Miami Biltmore, Coral Gables, Feb. 22-25.

Congressman Voorhis of California and A. E. Morgan of Yellow Springs, O., former president of Antioch College and one-time chairman of TVA, will speak at the convention of the Farm Bureau companies in Columbus, O., April 2-3.

## MANAGERS

#### Stout Heads Dayton Life Managers Association

DAYTON—Henry S. Stout, John Hancock, was elected president of the Dayton Life Managers Association at its annual meeting. Fred F. Ruhl, Metropolitan, is vice-president; Walter H. Grundy, Connecticut Mutual, secretary; and Frank C. Holloway, Berkshire Life, chairman executive committee.

The association now is sponsoring a monthly round table for all agents in this section with particular reference to new men, to broaden their knowledge of the business and give them a background of the ethics, general history and possibilities of life insurance. Two of these meetings have now been held.

A committee was appointed to consider the possibility of establishing a bureau by the association to assist the county welfare commissioner with recovery of values in lost and forgotten policies belonging to welfare applicants.

The association discussed part-time agents, approved unanimously the code of principles sponsored by the general agents and managers section of the National Association of Life Underwriters, and received a report from Thomas P. Allen, chairman of the association's committee promoting the sales of defense bonds on the salary allotment plan.

#### Spokane Managers Elect

A. L. Thompson, Oregon Mutual Life, is the new president of the Spokane (Wash.) Life Managers & General Agents Association. Grant McGlade, California-Western States Life, is vice-president; E. M. Wolfe, Prudential, secretary-treasurer; F. L. South, Sun Life, and Joy Williams, Lincoln National, directors.

#### Discuss Need for Recruiting

DETROIT—The many personnel changes due to military service and means of recruiting the higher type of men to replace them were discussed at a forum-type meeting of the Detroit Life Insurance Supervisors Association, with President P. W. Wolf, Manufacturers Life, in charge. It was brought out that more than the normal amount of recruiting will be necessary in 1942, since sales forces have been dropping at much more than the normal rate.



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Your sales argument is ready-made for you when you offer Perfect Protection. It's more than just another insurance policy; it's a balanced program for security adjustable to the price range of every buyer. Perfect Protection safeguards policyholder and agent alike against the danger of lapses caused by sickness or accident. Perfect Protection was originated in 1913 by Reliance. Today it is Streamlined to the needs and problems of 1942. Write for new booklet giving further details of Streamlined Perfect Protection.



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**THE COLUMBIAN NATIONAL**  
LIFE INSURANCE COMPANY  
of Boston, Massachusetts

. . . . 40 years of careful and efficient  
management for its policyholders

. . . . 40 years of friendly co-operation  
with its fieldmen



**A New England Institution**



while the recruiting field is greatly reduced by the virtual elimination of college and young business men as possible new agents. F. E. Pomeroy, New England Mutual, will preside at a forum discussion at the next meeting.

#### Portland Host to Seattle Group

The Portland (Ore.) Life Managers Association will be host to the Seattle association Feb. 20 at a joint educational session and a dinner. Later in the year the Seattle group will entertain the Portland managers.

#### Discuss Settlement Agreements

Frank Roberts, Massachusetts Mutual Life, conducted a discussion on "Extended Income and Settlement Agreements" at the February meeting of the Life Insurance Cashiers Association of Milwaukee.

#### Hendershot Speaks in Boston

The Supervisors Club of Boston was instructed as to the best methods of training new men to write up to \$100,000 of new business annually by L. B. Hendershot, director of agencies of Berkshire Life, at its February meeting.

## ACCIDENT

#### Victory Luncheon, Sales Congress to Be Staged in Chicago March 20

Instead of the Accident & Health Insurance Week breakfast, which has been featured for a number of years by the Chicago Accident & Health Association, the association will stage a "Victory luncheon" on Friday, March 20, immediately preceding Accident & Health Week, to be followed by a sales congress from 2 to 3:30 p.m.

At the luncheon, practically the only reference to accident and health insurance will be the explanation of the significance of the "68" button. There will be three-minute talks by representatives of the defense bond sales organization, the Red Cross, the Great Lakes Naval Training Station, and the marine corps and a general review of the present-day situation and the necessity for unanimity in all lines of work.

At the sales congress there will be four speakers, who will not tell how to sell accident and health insurance but why selling it is a good thing for the agent or broker to do, particularly at the present time. Special efforts will be made to bring in producers from all types of agencies. A. D. Anderson, Occidental Life, and W. W. Pierce, Massachusetts Indemnity, are co-chairmen in charge of the Accident & Health Week Observance.

#### Increase Auto Policy to \$3

United of Chicago which has been selling a \$2 automobile personal accident policy through the United Agency at 309 West Jackson boulevard, Chicago, for \$2, has now increased the premium to \$3 both for renewal and new business.

The United Agency is also selling a general \$1 a month accident policy on the family basis. The principal assured who would normally be the husband, receives weekly benefits and death losses are paid in an amount that is equal to \$5,000 divided by the number of persons in the family that are named in the policy. That is, if there are five members of the family insured, there is a death benefit as to each of \$1,000.

#### Alliance Pays Living Cost Bonus

Alliance Life, Chicago, is paying a cost of living bonus quarterly in 1942 to home office employees, ranging from 10 down to 5 percent.

## NEWS OF LIFE ASSOCIATIONS

### Wis. State Meeting in Racine May 23

MILWAUKEE—At a meeting of officers and directors of the Wisconsin Association of Life Underwriters, the annual meeting and sales congress was set for May 23 in Racine. Hertel Saugman, Racine, is chairman of the program committee and Harold Shadd, Kenosha, president Racine-Kenosha association, heads the local arrangements committee.

John A. Witherspoon, national president, will head the list of speakers. An entertainment program is planned for the evening before the convention and a C.L.U. breakfast will open the day's activities.

Erbin Harenburg, formerly in the McGivern agency of Northwestern Mutual Life and now life insurance instructor for the state school of vocational and adult education, reported on elementary and C.L.U. classes being conducted throughout Wisconsin. Between now and June he will conduct classes in Madison, Green Bay, Manitowoc, Sheboygan, Racine and Waukesha.

President Earl Wheeler named Peter Zimmer, Oshkosh, first vice-president, state delegate to the Memphis mid-year meeting, with Paul Schuette, Manitowoc, second vice-president, as alternate.

Frank Hughes, chairman defense bond committee, reported excellent cooperation.

the Michigan State Association of Life Underwriters here May 22 have been started. Walter Ruterbusch, president Bay City association, is general chairman.

### 55 Cleveland Leaders Are Feted at Banquet

CLEVELAND—Fifty-five top-notch personal producers of Cleveland were feted by the General Agents & Managers Club at the Leaders Banquet.

Rabbi Silver spoke on "Leadership." "Unselfishness in planning for the lives of others truly makes men leaders," he said.

Warren H. Smith, Northwestern National, president, Russell P. Thierbach, Northwestern Mutual and president of the managers group, presented the awards. Clarence E. Pejeau, president Cleveland Life Underwriters Association, was presented for his leadership in promoting agents prestige.

### Six Millionaires on Hand

At the speakers table were six million dollar producers: Charles C. Dibble, Northwestern Mutual; Max M. Matuseff, Mutual Benefit; George H. Schumacher, Massachusetts Mutual; Herman V. Haas, National Life; Frank L. McFarlane, Aetna Life; Wayne M. Trostle, Massachusetts Mutual.

An extensive advertising program is being promoted by the Cleveland asso-

ciation, with emphasis on the life underwriters code of ethics.

**San Bernardino, Cal.**—The southern California caravan of the Los Angeles association made its final trek of the year here, presenting the same program that has been given all over the southern portion of the state. More than 50 from San Bernardino and adjoining cities attended.

**Jackson, Tenn.**—"Why an underwriters association?" was discussed by President Herbert DeMont at the monthly meeting. Jackson plans to send a large delegation to the mid-year meeting of the National association in Memphis.

**Fox River Valley**—At the monthly meeting at Neenah, Wis., Frank Neu, Guardian Life, spoke on "The Agents' Problems of Adjustment to Conditions in 1942."

**Kansas City**—M. Albert Linton, president Provident Mutual Life, will speak on "Life Insurance and the Threat of Inflation" Feb. 13. Superintendent Scheufler of Missouri also will speak.

**Madison, Wis.**—Roman Vetter, general agent for Continental Assurance, gave his magic and sleight-of-hand performance, and a quiz program was conducted by Earl E. Wheeler, president of the state association. The panel consisted of Dan Wing, Equitable Society; Robert Larson, Northwestern Mutual; Mervin Hess, Aetna; Jack Whiffen, Lincoln National; Nathan Spector, Metropolitan; Harold Noer, Wisconsin Life; Al Mickelson, New York Life.

**Chippewa Falls, Wis.**—During 1942 the life underwriter has his place in the war economy and must assume three definite obligations, Richard Boissard, vice-president National Guardian Life, declared at a meeting in Eau Claire. These duties were: 1. To sell new insurance and to service present policyholders conscientiously; 2. help in every way the sale

### Essential to Estimate Death Taxes Accurately: Save on Cash Payments

DETROIT—An accurate estimate of death taxes is not only desirable but necessary in planning an estate in order that forced liquidation will not be necessary. C. M. Carey, deputy register Wayne county probate court, declared before the Qualified Life Underwriters of Detroit.

Emphasizing the distinction to be drawn between an estate tax and the Michigan inheritance tax, Mr. Carey said that "under the Michigan law the right to inherit or receive property is taxed and the rates and exemptions are based upon the relationship between the heirs or beneficiaries and the deceased."

If the Michigan inheritance tax can be paid in cash within one year from death, about 5 percent can be saved, as 8 percent interest is charged each year unless the tax is paid within 18 months.

Mr. Carey also called attention to the new Michigan inheritance tax amendment which provides that the proceeds of life insurance policies payable to trustees for the beneficiaries are exempt from the law's provisions, whereas such proceeds were formerly taxed under rulings of the attorney-general and the tax commission. This ruling does not affect the requirements of the federal estate tax.

#### Plan Michigan Parley

BAY CITY, MICH.—Preliminary arrangements for the annual convention of

## MUTUAL TRUST LIFE INSURANCE COMPANY

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"As Faithful as Old Faithful"

### DURING 1941

New Paid Business to Insurance in Force.....	12.04%
Insurance in force increased.....	7.44%
Assets increased .....	7.46%
Surplus reserves increased.....	8.55%
Average interest received on mortgages.....	4.58%
Average interest received on bonds.....	3.51%
Net yield on real estate.....	3.76%
Cash yield upon assets as a whole.....	3.9 %
Actual to expected mortality.....	38 %
Lapse ratio .....	4.1 %

MUTUAL TRUST LIFE is a purely mutual net level premium 3% reserve company. It operates in the East as well as the West. Its eastern territory includes New York, New Jersey, Pennsylvania and all of the six New England States.

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Territory Open in Virginia,  
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of defense bonds and stamps, as well as take part in civilian defense activity; and 3, help build morale so as to stimulate in the public mind the necessity of taking care of their families and of their government.

**Cleveland**—M. E. Curtis, National Life of Vermont, spoke to the women's division on "Your 1942 Income Tax." Miss Edna Mason has succeeded Mrs. Rose Krongold as president.

**Boston**—Ladies' night will be observed Feb. 17 with a dinner and entertainment. J. O. Bogardus, general agent Union Mutual, will present "What Your Husband Sells" and Mrs. M. P. Ford, whose husband is with Home Life, "A Wife Speaks."

**San Francisco**—A panel discussion on business insurance will be one of the features of the Northern California Sales Congress here March 2. The following Equitable Society representatives will participate: S. L. Coombs, J. W. Baid and George Mortensen, Oakland, and E. E. Raymond and Ben Sellinger, San Francisco. C. E. Morrow, Northwestern Mutual Life, Eureka, Cal., will discuss the responsibility of the agent.

**Dodge City, Kan.**—Geo. D. Deck, Mutual Life, spoke on the social security program. Chas. Holladay, Jr., Kansas City Life, secretary of the association, has resigned to enter military service, and his father will serve as secretary.

## CHICAGO

### TRAVELERS MEETINGS HELD

Office agents of Travelers in Chicago and representatives of Travelers general agencies in the city are gathering each morning for two hours this week for a series of instructional talks by Milton F. Jones, assistant supervisor of agency field service from Hartford. The first meeting, Monday morning, was held in the Chicago Board Auditorium and there was an attendance of about 250. The rest of the meetings were held in the Travelers meeting room. The first day he discussed the outlook for 1942, then he took up policy contract forms, settlement options, etc. He was introduced to the group the first day by Ben H. Groves, Chicago manager of Travelers. Harry W. Anderson, assistant superintendent of agents from the home office, also spoke briefly.

Mr. Jones said that the most popular term contracts of Travelers today are term expectancy and five year automatic conversion term.

### "SUN" CHANGES INSURANCE SETUP

The insurance reporting work on the Chicago "Sun" has now been placed on a daily basis and is assigned to Walter J. Fay, the real estate editor. Since the paper was started, until now, Harold W. Flitcraft, editor of the "Life Insurance Courier," has been furnishing an insurance column each Sunday for the "Sun." He was not able to handle the assignment as a daily routine and hence the change was made.

### HEAR TALK ON CRIME

The Chicago Claim Association heard a talk by Charles M. Wilson, director of the scientific crime detection laboratory of Northwestern University on scientific methods of crime detection at its regular dinner meeting.

### JONES SPEAKS ON MOTIVATION

Milton F. Jones, Travelers assistant supervisor of agency field service, spoke to the Life Agency Supervisors Club of Chicago on "Motivation."

### CAPERTON AGENCY IS SECOND

The J. C. Caperton general agency of State Mutual Life in Chicago came close to winning No. 1 position among that company's general agencies in paid business last year. It missed the mark by only a little more than \$21,000. This was the difference between its production and that of the Gerald H. Young agency of New York City, which placed first.

The Caperton agency's record was

## Latest Policy Changes

The National Underwriter is the only weekly insurance newspaper providing its readers with important last minute policy and dividend changes. Compiled by John H. Rader, National Underwriter statistician, these weekly reports supplement the data contained in the Little Gem, published in March at \$2.50 a copy, and the Unique Manual-Digest, published in May at \$5 a copy.

### Mutual Life Annuity Change

Dividends payable in 1942 by Mutual Life of New York are on the same basis as that used in 1941, except for a decrease in those allotted to term policies.

The increase in the purchasing price of an immediate annuity amounts to approximately 1 percent. The price of an annuity of \$100 annually and the monthly income provided by \$1,000 are shown in the table below.

Age	M. F.	Purchase price of \$100 Annuity		Monthly Annuity purchased by \$1,000	
		Life	Years	Life	Years
15	20	.....	\$3,498	.....	\$2.35
25	30	.....	3,144	.....	2.61
35	40	.....	2,731	.....	3.00
40	45	.....	2,510	.....	3.26
45	50	.....	2,283	.....	3.57
50	55	\$2,051	2,056	\$3.97	3.96
55	60	1,805	1,833	4.49	4.43
60	65	1,560	1,623	5.18	4.99
65	70	1,323	1,432	6.08	5.63
70	75	1,097	1,270	7.27	6.32
75	80	888	1,142	8.90	7.00
80	85	701	.....	11.11	.....
85	.....	538	.....	14.20	.....

### Mass. Mutual Continues Dividend Scale

Massachusetts Mutual announced that for the period June 1-Dec. 31, dividends left to accumulate will continue to be credited with interest at 3 percent per annum; on funds left with the company under optional methods of settlement, the interest rate is reduced from 3½ percent to 3¼ percent, effective June 1.

The present dividend schedule will be continued, except on single payment life policies. On these the first dividend on policies with the first anniversary on and after June 1, will be the regular paid-up life dividend at attained age. The payment of special first dividends on single payment life policies will be discontinued June 1.

Massachusetts Mutual is adopting new premium rates for single premium life, effective Feb. 15. The revised scale is:

Age	Prem.	Age	Prem.	Age	Prem.
10...	\$333.31	29...	\$455.21	48...	\$633.67
11...	338.91	30...	462.93	49...	644.37
12...	344.71	31...	470.85	50...	655.12
13...	350.67	32...	478.99	51...	665.91
14...	356.75	33...	487.35	52...	676.73
15...	362.90	34...	495.92	53...	687.56
16...	369.13	35...	504.70	54...	698.37
17...	375.37	36...	513.67	55...	709.17
18...	381.58	37...	522.85	56...	719.93
19...	387.76	38...	532.19	57...	730.64
20...	393.93	39...	541.71	58...	741.29
21...	400.17	40...	551.40	59...	751.85
22...	406.52	41...	561.24	60...	762.34
23...	413.00	42...	571.24	61...	772.70
24...	419.61	43...	581.37	62...	782.95
25...	426.39	44...	591.63	63...	793.07
26...	433.32	45...	601.99	64...	803.04
27...	440.43	46...	612.47	65...	812.85
28...	447.72	47...	623.03		

hung up in spite of the fact that General Agent Caperton was in a hospital under observation for two months late in the summer. When he returned to duty late in September his agency stood fifth countrywide. Mr. Caperton, who was checked by the doctors for a possible heart difficulty, was given a clean bill of health after electrocardiograms had been taken and various disturbances studied. He is now back on the job full-time.

Order four copies of Albert Hirst's "When a Man Dies" for \$1 from National Underwriter.

### Federal Life Has New Dividends

Federal Life has announced its new scale of policy dividends for 1942. They are illustrated at quinquennial ages per \$1,000 for three forms in the tabulation below:

Endowment at Age 85—Cont. Prem.										
Age	Dividends End of Year									
	1	3	5	10	15	20	1	3	5	10
20.....	\$1.14	\$1.17	\$1.21	\$1.30	\$1.42	\$1.57	.....	.....	.....	.....
25.....	1.19	1.23	1.27	1.39	1.54	1.75	.....	.....	.....	.....
30.....	1.25	1.30	1.36	1.52	1.73	2.01	.....	.....	.....	.....
35.....	1.34	1.40	1.48	1.70	1.99	2.40	.....	.....	.....	.....
40.....	1.45	1.54	1.64	1.96	2.39	2.94	.....	.....	.....	.....
45.....	1.65	1.77	1.93	2.40	2.99	3.70	.....	.....	.....	.....
50.....	1.98	2.18	2.42	3.08	3.86	4.72	.....	.....	.....	.....
55.....	2.59	2.89	3.21	4.10	5.09	5.97	.....	.....	.....	.....
60.....	3.61	4.03	4.47	5.62	6.66	6.93	.....	.....	.....	.....

Endowment at Age 85, 20 Pay										
Age	Dividends End of Year									
	1	3	5	10	15	20	1	3	5	10
20.....	\$1.36	\$1.42	\$1.48	\$1.66	\$1.87	\$2.13	.....	.....	.....	.....
25.....	1.40	1.46	1.54	1.74	1.99	2.28	.....	.....	.....	.....
30.....	1.44	1.52	1.60	1.84	2.14	2.47	.....	.....	.....	.....
35.....	1.51	1.60	1.70	1.98	2.34	2.73	.....	.....	.....	.....
40.....	1.59	1.71	1.83	2.20	2.64	3.05	.....	.....	.....	.....
45.....	1.76	1.90	2.07	2.57	3.09	3.44	.....	.....	.....	.....
50.....	2.07	2.29	2.53	3.16	3.75	3.91	.....	.....	.....	.....
55.....	2.68	2.98	3.28	4.10	4.73	4.38	.....	.....	.....	.....
60.....	3.72	4.13	4.55	5.59	6.19	4.69	.....	.....	.....	.....

20 Year Endowment										
Age	Dividends End of Year									
	1	3	5	10	15	20	1	3	5	10
20.....	\$1.41	\$1.53	\$1.67	\$2.04	\$2.48	\$3.00	.....	.....	.....	.....
25.....	1.46	1.59	1.72	2.10	2.54	3.03	.....	.....	.....	.....
30.....	1.53	1.66	1.79	2.17	2.61	3.06	.....	.....	.....	.....
35.....	1.59	1.73	1.87	2.27	2.71	3.08	.....	.....	.....	.....
40.....	1.70	1.84	2.00	2.43	2.88	3.10	.....	.....	.....	.....
45.....	1.85	2.01	2.20	2.72	3.14	3.11	.....	.....	.....	.....
50.....	2.15	2.38	2.61	3.21	3.63	3.15	.....	.....	.....	.....
55.....	2.73	3.03	3.34	4.09	4.48	3.25	.....	.....	.....	.....
60.....	3.76	4.17	4.58	5.56	5.92	3.45	.....	.....	.....	.....

### Junior Life Executives in Texas Organize

Under the sponsorship of the Texas Association of Life Executives, 60 junior executives of life companies with home offices in Texas met in Dallas and formed a statewide organization. A. M. Cameron, actuary of Great Southern Life, Houston, was elected president; L. W. Ellsworth, assistant secretary of Southwestern Life, Dallas, vice-president; and Z. Starr Armstrong, director of education of Republic National Life, Dallas, secretary.

The meeting was called by S. J. Hay, president of Great National Life, as president of the life executives group, and the program was planned by W. H. Painter, secretary United Fidelity Life.

### War Clause Practices Reviewed

The New York state savings bank life insurance system has adopted a war risk exclusion rider which will be attached to all policies issued to males age 15 and over. The rider expires automatically five years from date of issue. Being issued in New York, it is of course of the "results" variety. If the insured dies while in the armed forces, as the result of engaging in military or naval service in time of war the amount payable is the total of premiums paid, less dividends credited under any of the plans of payments set forth in the policy, plus any dividend accumulations and the reserve on any dividend additions, from which will be deducted any indebtedness to the bank. Thus the bank is not obligated to pay interest on the amounts paid in as premiums.

Reliance Life has issued a new war clause commencing Feb. 1 and it is be-

Reliance Life ..... ABCX  
Alliance Life ..... A\*B\*C\*X  
Great Northern Life ..... ABC\*DE

### Opposition Is Strong to Taxing Income of Outstanding Municipals

**WASHINGTON**—The first steps toward eliminating the exemption from taxation now enjoyed by state bond issues may be taken by Congress in the writing of the 1942 revenue bill.

Because of the need for new money, the Treasury Department, which as late as last year saw no reason to disturb the situation, now is recommending that all future issues of such bonds be made taxable.

The department, it is understood, would like to see the tax exemption wiped out altogether, but the house ways and means committee is represented as against any interference with outstanding issues, by a big majority.

It is expected that in the writing of the new bill consideration will be given to this question. It is believed probable that a provision will be incorporated in the measure providing that federal taxes shall apply to the net income derived from all future issues of now-exempt securities. The federal government itself has taken the first step in that direction by eliminating the tax exemption on its own bonds.

Thus, issues of both federal and state tax-exempt bonds now outstanding would lose none of their privileges, but there are indications that if the states, in retaliation for the elimination of the exemption, attempt to impose taxes on outstanding federal bonds the Treasury will fight the matter in the courts. Similarly, it is anticipated, if the government attempted to collect taxes on outstanding state bonds, the states would make a similar fight.

### C. W. Phillips Manager of Agencies of Atlantic Life

**RICHMOND, VA.**—Charles W. Phillips, vice president of Atlantic Agency of Richmond 12 years until he resigned recently, has been named manager of agencies of Atlantic Life. Mr. Phillips started with Atlantic Agency at the age of 18 as clerk. Four years later, he was made manager of the conservation department. Atlantic Agency is general agent of Atlantic Life for Virginia and the District of Columbia.

E. G. Brown, vice-president and actuary of Southwestern Life, gave the history of the executives organization in Texas. Mr. Cameron led a discussion of tax accounting problems. Thos. M. Mott, actuary Republic National, spoke on premium accounting, and Mr. Ellsworth on personnel problems.

Two regular meetings a year are planned and other meetings subject to call, with probably monthly meetings of local groups in the larger cities.

ing attached to all policies. It excludes all deaths while in military service outside Canada and the U. S. and war caused deaths within two years of civilians outside the U. S. and Canada.

The proper symbols to designate the clause, as explained in the Jan. 9 and Jan. 23 editions are A B C X.

In the entry for Alliance Life of Chicago in the Jan. 23 tabulation of war clause practices, a symbol was incorrectly used, indicating that war caused deaths of those in military service, while in the United States, were excluded. As a matter of fact, there is no such exclusion. The Alliance Life war clause excludes all deaths while in military service outside of the United States but there is full coverage while within this country. The correct symbols for Alliance Life appear below, with others just reported:

All  
M. 15-36  
M. & F. 15-44



## Agents Job Is to Keep Institution on Free Basis

(CONTINUED FROM PAGE 10)

dent, presided. Jeanette Thielens Phillips, program chairman, voiced an appeal for blood donations to the Red Cross for the preparation of plasma. One of the first volunteers was W. N. Hiller, Chicago association president, who spoke briefly.

### ADDRESSES DISTAFF GROUP

The Insurance Executives Distaff Association of Chicago, composed of key position women in insurance offices, had Miss Beatrice Jones, president New York City Life Underwriters Association, as its speaker Monday night at the Union League Club, following a dinner. She told what, in her opinion, women could do for the defense of democracy. Mrs. Hugo Dalmar, head of the Dalmar & Co. agency, association president, presided and Mrs. K. L. Belcher, program chairman introduced the speaker.

Miss LaVerne Hand, Penn Mutual Life, explained the purposes of the Distaff body. There were some special guests present, Samuel Lustgarten, one of the agency managers of Equitable Society; Mrs. Garland Kahle, Reno agency of Equitable Society, and sister of Miss Jones, and Miss Marie Mead, assistant secretary Health & Accident Underwriters Conference.

Miss Jones is a member of the A. V. Ott agency of Equitable Society in New York.

### What Women Can Do

Miss Jones dwelt on what special things women can do in addition to the more general demands of the day. She characterized the present world condition as a critical, spiritual illness. She said there probably will have to be an amputation to get rid of the gigantic infection. Women, she said, should meet the issues in a constructive way. She declared there is great need for unified thinking. Women should work in harmony and with one accord.

### Make Use of Endowments

Miss Jones took the position women should use their special endowments. Women have the inherent quality to stick, and to stick when the going is very tough.

She declared that women are unkind to one another. They are given to criticizing and finding fault with others instead of building them up. She thinks it is unjust to accuse women of not meeting business responsibilities with the success that men do because they have not been accustomed to the business world to any great extent until more recent years. They are not so experienced.

### Should Work More Effectively

Miss Jones said women do not use their ability with any degree of effectiveness. They should school themselves to use more of their own talents to the best effect. She asserted that women have a fine sense of humor and they should maintain it. Therefore, they should be captains of the ship.

Miss Jones recommended that women should school themselves to be more

articulate. They should express their sentiments that they feel deeply in their souls. She declared that women will be of great avail during the long, cruel period of readjustment after the war. It will be a time of recuperation and women will come to the front as intelligent and effective nurses. They should be, she said, able to minister in a splendid way to the country.

## Ford Drops Huge Group Cover on Employees

(CONTINUED FROM PAGE 1)

point is that under a labor union plan, the member presumably would have to stand the entire cost of the insurance whereas under most group plans the employer stands that portion of the cost usually that exceeds 60 cents per \$1,000 per month per employee. The actual average cost is about 85 or 90 cents a month and if the individual assured were called upon to make that entire contribution, the plan would not appear as attractive to him in relation to what he could buy in the way of term insurance on an individual basis. Hence, unless the purchase of insurance were made mandatory on members of the union, presumably a pronounced adverse selection would be made against the insurance company that would tend to further elevate the cost.

### "Member" and Employed

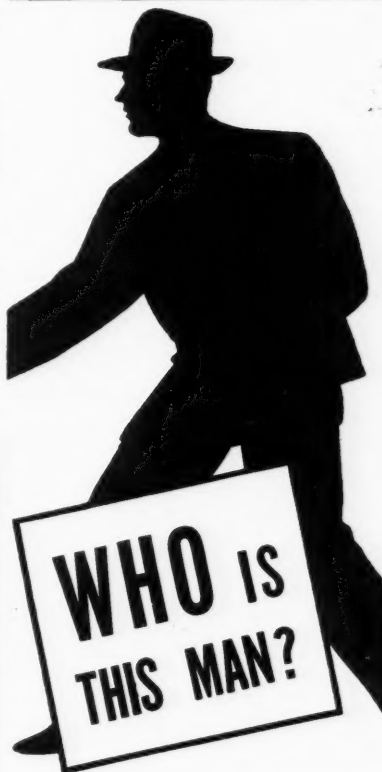
Another problem is the matter of making the group insurance privilege available only to those who are actively employed and not have it extended to inactive members of the union most of whom normally would be poor risks. Then there are some peculiar problems that arise in connection with termination of insurance and privilege of conversion if the labor union were the contracting party rather than an employer. Because the labor union is a rather nebulous institution in many respects,

the insurance companies feel that they would not have the security of the contracting party that they do have with an employer.

Despite all these obstacles it appears that the insurance companies are definitely interested in seeing what can be done to salvage the Ford case and if an arrangement is perfected its implications will be studied closely. The possibility is suggested that the union might foster some sort of an insurance company of its own to be the nominal insurer but that the liability would be passed on by way of reinsurance.

Some group men have expressed surprise that the Ford company could get away with canceling its group plan without causing a strike. There are many plants where group insurance is so popular that arbitrary cancellation of it would be the signal for an immediate walkout. That there was no such reaction in the Ford case may be due in part to the relatively short length of time that the plan was in effect.

Two evening courses in insurance opened Feb. 9 at the University of Minnesota. L. C. McGee, Aetna Casualty, is in charge of the casualty course and George A. Specht, Minneapolis, will direct the life insurance work.



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## Head New Farm Investment Unit



I. S. HODDINOTT

Mutual Benefit Life has established what is known as the farm investment department with Theodore M. Beal as manager and Ira S. Hoddinott assistant manager.

It will have supervision over the farm mortgage and real estate portfolio and will be in charge of farm loan branch offices at Crawfordsville, Ind.; Ames, Ia.; Sioux Falls, S. D.; Lincoln, Neb.; St. Joseph, Mo., and Americus, Ga.

Mr. Beal has been associated with Mutual Benefit since 1928 in farm loan work. He was made assistant treasurer



T. M. BEAL

in 1932. He was graduated from Ohio State University in 1917. He was engaged in governmental agricultural work in Ohio and Indiana at one time in his career.

Mr. Hoddinott joined the company in 1931 as farm loan inspector for 13 states. In 1932 he was brought into the home office to assist in establishing farm loan branch offices. He was educated at Hiram College and Ohio State University. He was at one time county agricultural agent and associate professor at Ohio State.

## Companies Show Statement Figures for 1941

(CONTINUED FROM PAGE 2)

premiums, according to President Walter LeMar Talbot.

New business was \$31,114,752, a gain of 20.5 percent. Insurance in force increased \$12,218,651 to a total of \$382,940,982. The first year lapse ratio in 1941 was the lowest in company history. In percentage of insurance in force cancellations were 3 percent, compared with more than 11 percent in 1933. Payments to policyholders and beneficiaries are \$251,600,292 since organization.

### WESTERN & SOUTHERN LIFE

Western & Southern's production of ordinary hit an all time high of \$65,132,242 in 1941 with a gain in ordinary in force of \$43,515,027. The total insurance in force is \$1,082,622,518, a gain of \$89,069,879 over the previous year. Assets increased \$14,566,756 to a total of \$203,339,008. Terminations were at the lowest level in years.

The rate of interest earned is 3.6 as compared with 3.74 in 1940. About 40 percent of the assets are in government bonds. Most of the money newly invested in 1941 went into preferred stocks, mortgages and government bonds.

### SOUTHLAND LIFE

Southland Life reports that new insurance written for 1941 was 25 percent greater than for 1940, resulting in increasing insurance in force to a total of \$189,313,431.

Holdings of government bonds increased within the year by \$2,500,000 to a total in excess of \$4,000,000. There was a gain in surplus and an increase of \$2,125,000 in assets.

### ACACIA MUTUAL

Acacia Mutual paid for business in 1941 amounted to \$45,966,221, increase of 26 percent. Total business in force Dec.

31 was \$446,133,998, gain \$23,236,409. Assets rose \$7,552,414 to the total of \$101,257,847.

### WASHINGTON NATIONAL

Substantial gains in every department were made by Washington National during 1941. Life insurance in force rose to a new high of \$246,564,439 which is a gain of more than \$21,000,000.

Assets totalled \$49,555,767, an increase of \$2,633,594. Capital is \$2,000,000 and net surplus \$2,344,408, an increase of \$327,168. Premium income showed an increase of \$1,305,752.

Every department reported gains in volume of business written and premium income—life, accident and health, group, hospitalization, industrial, and newspaper accident insurance.

### LUTHERAN MUTUAL LIFE

Lutheran Mutual Life of Waverly, Ia., wrote about \$12,000,000 in new business last year and gained about \$8,000,000 in insurance in force which is now \$77,673,650.

In assets Lutheran Mutual gained over \$1,800,000. Assets are now \$14,092,555. Surplus is \$1,303,698. Interest earnings were 3.96 percent and mortality ratio 25.23. Total income was \$3,176,716 and disbursements \$1,383,375.

### STATE MUTUAL LIFE

State Mutual Life paid for \$42,034,322 of new business in 1941, a 10.62 percent increase. Insurance in force was up \$13,634,135, a gain of 2.25 percent, and now totals \$619,950,305. Persistency was the best in company history, voluntary terminations being 2.98 percent of insurance in force. The company has paid \$149,012,216 in death claims and \$236,419,408 to living policyholders since organization.

Assets increased 4.93 percent to \$209,387,952. Holdings of government bonds was 17.2 percent, against 8.8 percent five years ago. The average return on investments was 3.28 percent last year.

## Montgomery Leaves State Mutual, Joins Aetna Life

Harry V. Montgomery is withdrawing from the Montgomery-Deutsch Agency of State Mutual Life in San Francisco to become assistant general agent of Aetna Life there under F. C. Whatley.

Arthur K. Deutsch, who continues the agency, plans to bring in an associate general agent to handle brokerage and agency personnel.

Mr. Montgomery has been with State Mutual since 1933, serving as co-general agent with E. A. Kelloway until January, 1937. In 1938 Mr. Deutsch joined the agency and he and Mr. Montgomery were associated as general agents until the present date. Mr. Montgomery entered life insurance in Kansas City May 1, 1921. He went to San Francisco in 1929 as northern California manager of Kansas City Life.

## Conn. Savings Bank Showing

HARTFORD—Savings bank life insurance applications received by Connecticut banks participating in the insurance plan in its first month of operation total 238 for \$280,800 of insurance. Because of the inevitable delay in issuing policies, only 129 policies for \$123,050 were actually issued.

## E. C. Foss Is Honored

Members of the official family of Great Lakes Life of Cleveland, paid tribute to E. C. Foss, a director and member of the organization since 1922 at a dinner. C. J. Bath, president, presided. There was presented to Mr. Foss a desk pen set.

## RECORDS

**Reliance Life**—New paid-for life insurance in January totaled \$5,906,268, an increase of 52.4 percent over January, 1941. Life insurance in force gained \$3,560,677 in January, bringing the total to \$537,588,293.

**Franklin Life**—Following the banner year in 1941, the new paid business in January increased 63 percent over the similar month of 1941. Insurance in force reached a new all-time high of \$228,572,057 at the end of January, an increase of almost \$20,000,000 in the past year. Sale of participating policies increased 15 percent in January.

## Big Tax Refunds Due to Oregon Mutual Decision

Metropolitan Life and New York Life were listed by the Treasury department as receiving the year's largest refunds of federal income tax overpayments in New York. Metropolitan received \$1,801,331 and New York Life \$1,479,704. These refunds were based on the U. S. Supreme Court decision of December, 1940, in the Oregon Mutual case that disability reserves are "reserves required by law" in the same sense as life reserves and companies are entitled to exemption on interest earnings on such funds up to 3 3/4 percent a year. While the refunds loom large in the light of present life company income taxes, which are low because of low interest earnings, the refunds represent only a small part of the income taxes paid during the years involved.

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## LEGAL RESERVE FRATERALS

### Bayley President of N. Y. Congress

By RALPH E. RICHMAN

L. J. Bayley, Unity Life & Accident, Syracuse, was elected president of the New York Fraternal Congress at the annual meeting in New York city. He succeeds J. J. Rossbottom, Independent Order of Foresters.

Other new officers are: First vice-president, Loretta Groves, Woodmen Circle, Utica; second vice-president, Rudolf Joseph, Woodmen of the World, New York; secretary-treasurer, J. E. Long, W. O. W., New York. Warren D. Benedict, Modern Woodmen, New York, is executive committee chairman. Mr. Rossbottom remains on the committee.

Fred A. Service, supreme solicitor of Protected Home Circle, extended a welcome and reminiscence. Andrew Ruppel, Junior Order United American Mechanics, responded.

Foster F. Farrell, manager National Fraternal Congress, Chicago, reported in his address that \$126,000,000 was paid in benefits last year by the fraternal. Too often, he said, the fraternal sells only a thousand dollar burial policy and fails to extend to its members all the protection they need. Mr. Farrell advocated that fraternal representatives study life insurance selling and particularly how to make life insurance meet the needs of each individual upon whom they call.

It is necessary also, he said, to continue creating and developing public acceptance of legal reserve fraternal insurance. In the last five years sale of legal reserve fraternal insurance has increased 13 percent.

New York fraternalists may well inform their members of the progressive requirements of the state's new insurance code for the legal reserve fraternal, Thomas J. Cullen, first deputy commissioner of New York, declared in a talk. He complimented the fraternal on their opportunity for service as morale builders in the war effort.

R. L. Dille, first vice-president of the congress, is very ill in his home in South Glens Falls, N. Y. He is a Ben Hur representative. He was made honorary congress president.

The executive committee was increased in number from five to seven. A revised constitution will be presented to the congress next year. Acting Secretary J. E. Long, W. O. W., on behalf of the congress presented Mr. Rossbottom a check in appreciation of his services.

Activities of the state fraternal congresses were praised by H. Bruce Meixel, secretary New Jersey Fraternal Congress. Oscar A. Kottler, president New Jersey Congress, spoke for that organization.

Mr. Bayley has been connected with Unity Life & Accident for 20 years. For several years he operated as a Unity field worker in northern New York. In 1925 he was called to the home office as traveling auditor, soon being promoted to general auditor. In 1931 Mr. Bayley was elected a director and secretary.

#### Arkansas Congress Plans

LITTLE ROCK, ARK.—The Arkansas Fraternal Congress planned its 1942 activities at a luncheon here. George Steimel, Pocahontas, Catholic Knights, president, presided.

### Maryland-D. of C. Congress Elects

L. Littman, manager Standard Life of Kansas eastern division and national director, was elected president of the Maryland-District of Columbia Fraternal Congress at the annual meeting in Baltimore. He succeeds H. G. Dreschel, Independent Order of Foresters. Other officers are: First vice-president, Mrs. Helen E. Wold, Royal Neighbors; second vice-president, J. M. Weber, Polish Roman Catholic Union; treasurer, Mrs. E. Olive Eckert, Protected Home Circle, and secretary, C. M. Weber, Maccabees.

Commissioner Gontum of Maryland, and Hill Montague, president Mutual Life of Richmond, Va., gave addresses. Mrs. Eckert spoke on juvenile activities. Mrs. Henrietta Snider, Richmond, Va., state manager Woodmen Circle, on state congresses and W. O. Hayes, Maccabees, on legislation.

Alex O. Benz, president Aid Association for Lutherans and past president National Fraternal Congress, spoke on the stabilizing influence of the fraternal system on American life, and F. F. Farrell, N.F.C. manager, substituted for T. R. Heaney, N.F.C. president, discussing salesmanship in fraternalism. The meeting wound up at a banquet.

### Royal Neighbors Appeals to Members for Defense Aid

A special appeal was issued by Royal Neighbors to its 506,357 members and 6,086 camps for donations to an "All American" fund to be turned over to the American Red Cross for carrying out its blood plasma program. The fund will commemorate the society's 47th anniversary March 21.

Royal Neighbors has completed an all-out national defense and patriotic program, first by taking in 1941 the full limit in defense bonds, \$50,000, and an additional \$50,000 this year. A plan was adopted under which supreme office employees in Rock Island, Ill., make regular savings toward purchase of defense bonds through salary deductions.

The blood plasma service of Red Cross is regarded by Royal Neighbors officials as highly important, for it is estimated 1,000,000 pints of blood may be needed this year for war casualties transfusions, at a cost as high as \$3,000,000. Members and camps were urged to make other contributions to the Red Cross through local chapters, and also to purchase defense bonds and stamps and give their support to all defense, war and patriotic projects and measures. Hundreds of camps have reported many of these activities.

The appeal is in charge of the executive council, composed of Mrs. Grace W. McCurdy, Bettendorf, Ia., supreme oracle; Miss Erna M. Barthel, Rock Island, supreme recorder, and the supreme managers, Mrs. Margaret Gorman, Chicago; Mrs. Edna E. Walsh, Kansas City; Mrs. Frances R. Torkelson, Lincoln, Neb.; Mrs. Jessie L. Mitchell, Brighton, Mich., and Mrs. Alice C. Nash, Hopkins, Minn. A nucleus for the fund was created when they all made contributions and another donation was made by the supreme office chorus.

### Taking Action on War Clause

(CONTINUED FROM PAGE 3)

on United States business, but directors will consider the situation this month. An aviation exclusion rider has been in

all new certificates issued for six years. Standard Life of Kansas does not contemplate imposing a war clause and has no special war risk underwriting rules. It uses an aviation exclusion rider.

Directors of Woodmen of the World, Denver, were in session there this week and it was reported were considering a war clause.

Woodmen of the World, Omaha, does not intend to adopt a war clause unless circumstances require it. Members receiving certificates since Dec. 7, who enter military service are charged a hazardous rate of 1 1/4 times standard rate. An aviation exclusion rider is applied.

Royal Neighbors' executive council this week was considering proposed war clauses.

#### U. C. T. Clarifies Its Stand

United Commercial Travelers, Columbus, O., has a provision in the constitution and by-laws that there is no liability for injury or death caused by war or riot. A ruling was issued by A. W. Franklin, secretary, explaining that no member has insurance coverage if his disability or death is a result of actual warfare but coverage can be provided in the United States or Canada at an occupational rating of 100 percent and outside these areas for other than accidental deaths on an occupational rating basis.

### Trust Officers, Life Men Form Philadelphia Council

J. W. Clegg, Jr., assistant trust officer of the Pennsylvania Company was elected president of the newly organized Philadelphia Life Insurance and Trust Council. Other officers are: Vice-president, M. H. Wilner, general agent State Mutual Life; treasurer, R. W. McIlvaine, trust officer Germantown Trust Co.; secretary, L. L. Cluster, New York Life, and executive committee, J. H. Ring, 3rd, A. L. Toboldt, R. S. Crampton, C. H. Smith, S. S. Dunning, and J. L. Weatherly.

Committees and their chairmen are: Program, M. H. Wilner; educational, J. L. McMillan, manager Mutual Life of New York; ethics, S. W. Cousley, Fidelity-Philadelphia Trust Co.; legislation, George E. Lloyd, the Pennsylvania Co.; publicity, P. F. Murray, Penn Mutual.

There are now 22 such councils in the country.

### Ohio National Calls Off Builders Club Rally

CINCINNATI—Ohio National Life has called off its Builders Club convention previously scheduled to be held at Sun Valley in July. In line with the spirit of the times, those who qualify for this biennial meeting will be presented with defense bonds.

#### Quarter Century Club Elects

Walter Gottschalk has been elected president of the Northwestern Mutual Life Quarter Century Club, composed of present and pensioned employees with 25 years or more service. Joseph Lochemes is vice-president; Oliver Meyers, reelected secretary-treasurer; Anthony Eggerts, historian.

#### N. H. Denies Tax Deductions

CONCORD, N. H.—The New Hampshire supreme court has ruled that life companies operating in this state may not deduct from their taxable gross premiums dividends or refunds paid to policyholders. The decision is the result of extended litigation over a case brought by Metropolitan Life, which was regarded as a test case. The state law calls for a tax of 2 percent on gross premiums received from residents of the state, less payments to residents for death losses. Metropolitan sought to have allowed a deduction for the 10 percent discount allowed industrial policyholders for premiums paid directly to an office.

### Announce U. S. Life Enters Group Field

NEW YORK.—With "1942 Opportunities" as the conference theme, general agents of United States Life met in a series of informal round table conferences to discuss the company's life and accident and health plans for the year. Richard Rhodebeck, superintendent of agencies presided.

It was announced that United States Life is entering the group life field and will consider employer-employee groups, creditor groups and other miscellaneous types of group insurance allowed under the New York state law.

There was considerable discussion of the company's new war clause and a new plan of monthly reducing term insurance as applied to the purchase of defense bonds.

#### Mitchell Resigns From Mo. Post

T. C. Mitchell, Jr., assistant actuary of the Missouri insurance department, has resigned and it is expected that he will take an insurance position.

Arthur R. Thompson, Jr., has been appointed to succeed Mr. Mitchell to assist in the actuarial department. Mr. Thompson formerly practiced law in Kansas City and Warrensburg, Mo., is a graduate both in academic degree and law from the University of Florida.

#### L. A. A. Eastern Parley Mar. 26-27

The annual eastern round table of the Life Advertisers Association will consist of a two-day session instead of one day as in the past. George A. Adsit, vice-president of Girard Life, is chairman of the committee on arrangements. The theme will be "Life Insurance Strengthens Defense." It will be held March 26-27, at the Pennsylvania Hotel, New York, and will begin with a luncheon meeting. Several speakers will be heard then.

The second day there will be a breakfast, to be followed an hour later with a series of four round table discussions. The meeting will close with a luncheon, when a distinguished speaker will be heard.

### The A. O. U. W. of North Dakota

THE PIONEER OF FRATERNAL LEGAL RESERVE SOCIETIES

Provides All Popular Forms of Life and Disability Insurance

A True Fraternal and a Mutual Life Insurance Association

Home Office—Fargo, N. D.

### THE WOMAN'S BENEFIT ASSOCIATION

Founded 1892

A Legal Reserve Fraternal Benefit Society

Bina West Miller Supreme President Frances D. Partridge Supreme Secretary

Port Huron, Michigan

## N.A.L.U. Assails Banks as Agents

(CONTINUED FROM PAGE 1)

is a qualified full-time agent, selling life insurance in the same manner as other agents, there seems to be no necessity for the interposition of the bank as a factor in the transaction.

Even though a full-time representative of the insurer might be assigned to handle the business, there must be some compensation to the bank or an officer of the bank and this, in effect, means that a part-time man is participating in the commissions.

The National association asserts that a sound statement of agents' beliefs on this question at this time will serve to clarify the issues and will prevent the hasty action of other companies along similar lines.

### Long Island Bank Involved

The bank referred to in the N.A.L.U. release is the Franklin Square National Bank. Its insurance consultant is G. C. Parsons, an experienced insurance man.

Emphasizing the danger of harmful results if a trend to license banks should develop, C. D. Connell, general agent Provident Mutual Life, New York, and chairman of the National association's agency practices committee said that it is to be hoped that all parties at interest will become aware of the danger and possible disastrous effect upon the morale of the full time agents. Officers and clerical forces of banks he said, cannot by any stretch of the imagination be actually or potentially capable of rendering the type of service which the public has been led to expect of a qualified full time agent.

Mr. Connell said that appointment of a national bank as an agent would seem to be clearly in violation of the spirit, if not the letter, of the agency practices code.

Stressing the agency system's role in the development of life insurance in this country Mr. Connell pointed out that over-the-counter sales of life insurance have constituted an almost negligible proportion of the total business in force and that the appointment of banks or other commercial organizations cannot but result in an attempt to capitalize on the efforts of full-time agents and to sell over-the-counter life insurance policies for which the needs have been developed by full-time company representatives.

### Waggoner Named Mutual Life Agency Assistant

Mutual Life of New York has promoted L. T. Waggoner, district manager at Chattanooga, to agency assistant at the home office, where he will assist in sales promotion work. He will assume his new duties Feb. 24. Mr. Waggoner started with Mutual Life as a part-time agent while a student at Maryville (Tenn.) College, from which he was graduated in 1938. While in college he also was a reporter for the Knoxville Journal, correspondent for several out-of-town papers, and wrote for the college paper. Receiving a scholarship to New York University, he studied there for his C.L.U. designation, which he received in 1939. The same year he became district manager in Chattanooga. On Feb. 15 Mr. Waggoner and Miss Florence Gee of Carrollton, Miss., will be married. Miss Gee is a Mutual Life agent and a field club member. Mr. Waggoner's father is A. B. Waggoner of Nashville, one of Mutual's leading producers.

### Faser Holds Regional School

H. M. Faser, vice-president and agency director of Lamar Life, held a three-day regional school in Nashville, Tenn. Two tri-state schools were held previously, one in Jackson, Miss., and one in Memphis.

## Mortality, Investment Problems in War Don't Seem Grave, McAndless Finds

A. J. McAndless, president of Lincoln National Life, and president of the American Life Convention, has made a thoughtful study of the probable effect of war influences upon the life insurance business. This study featured the address that he gave at the annual meeting of Lincoln National. Mr. McAndless observed that insurance is primarily a trouble and risk business. It looks after a man's trouble when as head of a family he dies and leaves dependents. It assumes the risk of looking after the savings of individuals in order to take care of the family risks at death.

Since insurance fits into the economic life of the nation, it cannot escape the disturbances, disruption and confusion which occur when there are changes in the economic environment. Life insurance is affected by war finances. It is the greatest single factor in the country for large mobilization of savings. Premium money does not compete for the supply of civilian goods and surpluses which will diminish sharply and is a powerful factor in the control of inflation. A large part of life insurance accumulations will be turned over to the uses of the government and the premium money will contribute substantially to the war effort.

### Annual Growth of Assets

Mr. McAndless observed that insurance assets have been growing at the rate of about one and two-thirds billion dollars a year. In 1940 about \$4,110,000,000 was invested by life companies, including the investment of maturing principal. However, in that year there was a great deal of refunding.

Probably the life companies would be able to absorb new government financing to the extent of at least \$2,500,000,000 annually should they be called upon to do so. However, even this amount on top of the investments of other savings institutions leaves a large gap to be closed by the purchase of bonds by individuals.

Insofar as mortality is concerned, Mr. McAndless pointed out that total civilian deaths due to air raids in Great Britain in 1941 numbered 41,383 or somewhat less than one per 1,000 of the population and this was a year of very heavy air raids. These civilian deaths did not exceed 8 or 9 percent of the total mortality expected in times of peace.

During 1940 death losses of 22 British life insurance companies resulting from the war amounted to only 10.7 percent of losses from other causes. Presumably, he said, war losses include deaths in the armed forces. The mortality in 1940 of most of the companies was within expectation.

### Canadian Mortality Results

Three large Canadian companies operating in Britain had a mortality experience there over a recent period of 34 percent of expected as compared with 56 percent for their Canadian and U. S. business. British experience, excluding deaths due to the war, was only 44 percent of expected. This is attributable to the fact that people are now living more simply, they do not concentrate their thoughts upon their own ills and greater attention is paid to the national health.

As to interest earnings, Mr. McAndless asserted that a very large proportion of the funds available will go into federal bonds. Two recent issues to which Lincoln National has subscribed gave a rate of 2½ percent on the longer term and 2 percent on the shorter term bonds. In other countries interest rates have not risen as the war has progressed. The yield on a large cross section of British stocks declined from 7.08 percent on Oct. 29, 1940, to 5.22 percent a year later. He predicted that long term interest rates probably will

stabilize at present levels. There is a ray of hope in the possibility that the exigencies of war debt finance may slow down or halt the refunding of higher yielding securities and mortgages.

As to taxation, Mr. McAndless expressed the belief that an intelligent taxing body should reach the conclusion that life insurance as a savings institution and with long term contracts on fixed interest assumptions outstanding is not properly a subject for heavy taxation. The British government has given preferential treatment to life insurance because of the role it plays as a savings institution, financing the war effort and the retarding effect which it has on inflation. He predicts therefore that if taxes are levied on the institution they will be of a reasonable character.

### Effect of Public Taxation

The effect of general taxation upon the public is likely to be more adverse to life insurance than are direct life insurance taxes. In Great Britain, he said, the new business has fallen off quite heavily because a large part of the agents have been absorbed in military service or war work, a great proportion of insurable young men are in the services, savings which might be used to pay new premiums are absorbed by government bonds and there is a desire to keep liquid and free from new commitments in order to absorb new taxation. In Canada, he said, the reverse has been true. In spite of the enormous tax increase new business written for the first 10 months of 1941 was 10 percent higher than in the comparable period of 1940. The greatest increase was in the low income brackets. Experience in this country, according to Mr. McAndless is more likely to follow the Canadian than the British.

He concluded that the foreseeable effect of war upon both mortality and investment returns are not such as to give the management grave concern. He said it is an interesting commentary on the inherent strength in the business that between June 30, 1940, and June 30, 1941, the capital stock of 24 British insurance companies rose 18 percent in market price.

## Self Management Is Largely Matter of Record Keeping

NEW YORK—Self management in the field was discussed at a forum of the New York City Life Underwriters Association. Those participating were K. F. Kellerman, Jr., New York Life, chairman; H. W. Baird, supervisor Northwestern Mutual; L. J. Seymour, Equitable Society; G. H. Green, Penn Mutual, and A. W. Christopher, Connecticut General.

In Mr. Baird's agency, a private conference is held shortly before the beginning of each year with each agent for setting his year's goal, based on his minimum living standards. The newest man in his agency, who entered the business Dec. 15, 1940, decided in the conference that \$2,400 would be his requirement for the first year, a comparatively high figure. Calculating commissions at \$12 a thousand, he needed a production of \$200,000. Figuring the average policy at \$3,000, it would take 67 cases to achieve the production required. If five closing attempts are required on an average to make a sale, 335 were needed in a year. Three interviews are needed on an average to make a sale, so he needed 1,005. Since the agent must see 10 people in order to get seven interviews, he would be obliged to make 2,050 calls and see 1,436 people.

Dividing the figures by 12, a monthly

breakdown was obtained which would give the agent his required \$200,000 production. In the following, first is given the calculated monthly requirement and second the result as it worked out in actual practice: People seen, 120, 128; interviews, 84, 101; closing calls, 28, 18; sales 5½, 5; volume, \$16,067, \$18,854. Cases for year were 71. Mr. Baird said that record keeping was important because the agent who writes down each day what he actually accomplishes is stimulated to do a better job in the future. A record places the responsibility where it belongs and reveals where the trouble lies so that each man can see his own strength and weaknesses.

Mr. Seymour keeps no records but does jot down the names of prospects who appear to be particularly good to him in a little book which he carries in a pocket and renews each month. Mr. Kellerman pointed out that Mr. Seymour has maintained a record of an application a week for a period of 12 years and this was undoubtedly the incentive which put the pressure on him to get busy. Mr. Seymour said that if he did not have an application which had been paid for by Wednesday, he really went to work.

Stating that he wants to know where he is going, Mr. Green said that he kept his record simple. He carries a weekly plan sheet in his pocket, and keeps an inventory record, a record of daily activities, confidential questionnaires, and a recapitulation sheet. Mr. Green said that record keeping establishes trends and gives continuity to the business.

Mr. Christopher said that it was easy for the agent to forget that he was working for himself and think of himself as working for an insurance company. The agent has to operate on the same basis as a storekeeper and maintain an inventory and set up a figure which covers the expenses for the year ahead. He gets up a sheet ruled off in 12 sections to show his renewal income for each month. He also keeps a list of his policyholders and premiums due. He uses a company plan book which lists the prospects to be seen each month, qualified prospects, people he expected to close, people who are to pay premiums, and other informative material. He sends direct mail letters to 10 people a week.

Summarizing, Mr. Kellerman said that he believes the speakers are successful life insurance men because they have the right mental attitude toward the business; they are conscious of the need for constant prospecting; they realize it is essential to see prospects continually; they talk about the prospect's needs and each gives something of himself to the business.

### Am. Savings Life Official Lineup Has Been Changed

KANSAS CITY—Thomas M. Mott, formerly actuary of Republic National Life, has been elected executive vice-president, secretary, treasurer and director of American Savings Life. Republic National recently bought American Savings. No action was taken on any proposed merger matter.

J. T. Mayall has resigned as vice-president; T. W. Wood is no longer secretary-treasurer.

## PROPERTY MANAGEMENT

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# Sales Ideas and Suggestions

## Answer Some Problems in Distribution of Estate

NEW YORK—Problems in the distribution of the estate were discussed by two speakers at a meeting of the New York City Life Underwriters Association's class in advanced salesmanship. Distribution of general property was handled by R. M. Lovell, assistant vice-president Central Hanover bank, and distribution of life insurance by S. A. Monroe, attorney Equitable Society.

The four ways of transferring property, Mr. Lovell stated, are by gift, either outright or in trust; by will at death; by death, with no will, and by title or operation of law. Under the last are included a joint checking account, real estate or defense bonds owned jointly, and life insurance.

The average individual gives too little thought to the transfer of property because he is too busy accumulating it, Mr. Lovell asserted. It is truly said that every person has a will, even if he does not provide one, since his property is distributed according to law of the state in which he was a resident.

### Essential to Make Will

Most property, he said, was in the form of real estate originally, stocks and bonds being a comparatively recent invention, and laws frequently distinguish between real estate and other property. It is essential that the individual with minor children make a will if there is real estate.

Mr. Lovell explained that under New York law, if the deceased leaves an estate of \$18,000, a wife, and two children, the estate would be divided into thirds. The third the widow would receive would then be insufficient to support her and unless she is able to get herself appointed guardian for the children and obtain a court order to administer their property, the problem of maintaining the family would be difficult.

An individual with a son and daughter who leaves \$25,000 in liquid securities and a \$25,000 business, it would be logical for him to want the business to go to his son and the securities to his daughter. The state, however, breaks up the estate into unmanageable pieces.

In a will the individual can appoint an executor, but if there is no will, the court appoints an administrator. A will saves the estate the premium on a bond, which is \$10 for the first \$2,000 and \$5 per \$1,000 thereafter up to \$50,000.

Mr. Lovell urged agents to get assured to make wills. A will permits a man to tell "who gets what." It enables him to select his own executor and waive the bond. It provides for the peculiarities of the man's own situation, whatever they may be.

### Administration Problems

Many problems arise in the administration of estates, he said. It might be embarrassing to the executor if personal effects are left in trust; for instance, the widow might have to purchase jewelry or an automobile from the estate.

Mr. Lovell said that he felt no trust should be set up unless it yielded at least \$100 a month income. Life insurance, the widow might have to purchase death claims were left with the Equitable under the optional modes of settlement and in 1941 the figure had increased to 43 percent. This increase holds generally true for all companies,

should provide that a receipt from the parents of the children is sufficient.

Generally, he said, specification of dollars in a will is bad because it is difficult to determine what the taxes, administration costs, and general conditions will be at the time of death, and if specific sums are left, they may be cut down or a considerable period of time may elapse before they are available. It is better to specify percentages.

It is often customary for a business man to ask that his partner be appointed executor. This is bad because it puts the partner in the position of passing on his own judgment, he declared.

A prominent physician made a will hurriedly after a heart attack. His estate was large and contained well diversified securities, but the majority of them were not legal securities in New York state. The executor had to sell every security which was not legal and reinvest the cash in legal securities. It was necessary to take a portion of the income in order to amortize the cost because bonds were selling at a premium and the principal had to be replaced.

### Witnesses Should Be Checked

It is essential that witnesses be checked carefully. No witness may appear anywhere in the will as a beneficiary. Names and addresses should be carefully checked. Most states require the names of two witnesses, but Maine, Massachusetts, New Hampshire, Connecticut, South Carolina, Vermont, Georgia and Louisiana, the latter in certain cases, require three witnesses.

It is well to ask the individual about certain things. Has he changed his domicile since making the will? Have there been any family changes or additional children? Has his worth changed materially? Are all the beneficiaries and witnesses still living? Are the executors still satisfactory? Are any changes necessary in view of increasing taxes? Does the general theme of the will tie in with the life insurance?

Some of the advantages of corporate executorship were pointed out by Mr. Lovell. A corporate executor provides a box at no charge for the keeping of securities, maintains an accounting department to make statements when required, has a mortgage and real estate department, in New York pays three-fourths of 1 percent interest on estate cash balances, is familiar with the tax situation.

In general, Mr. Lovell said, he wished for more life insurance in almost every case. The agent, by urging assured to make a will, is permitted to make valuable contacts by meeting the individual's attorney and building up confidence with assured. Mr. Lovell urged that agents call in the individual's attorney and not endeavor to draw up a will themselves. Agents should be familiar with proper legal terms and be able to use them intelligently, he stated.

### Monroe's Discussion

In 1931, Mr. Monroe said that 16½ percent of the policies which had become death claims were left with the Equitable under the optional modes of settlement and in 1941 the figure had increased to 43 percent. This increase holds generally true for all companies,

he stated. The fact indicates confidence in life insurance and in the professional ability of agents.

Mr. Monroe said that he did not see the need for the irrevocable designation of the beneficiary except in an unusual case. When an irrevocable beneficiary is named, the rights are jointly vested in assured and the beneficiary. He urged that the names be correctly given in the beneficiary designation.

Children should be named by classes and not by specific names, he advised. This will cover the birth of additional children. In order to take care of children of deceased children, the clause should read "one share for each of the surviving children and one share for each child of deceased children," he said.

The term "children" does not include stepchildren or illegitimate children. Wording should be obtained from the company if it is desired to include these. The terms "lawful" children and "legal" children create undesirable implications and their use should be avoided. The words "descendants" and "issue" are vague and vary in meaning.

The beneficiary designation has to end somewhere and the term "estate of the last survivor" is the most satisfactory. The term "estate of the insured" should be avoided; it finally amounts to "the estate of the last survivor."

Use of the deposit option type of common disaster clause is best because

it gives the beneficiary complete right of withdrawal and avoids tax complications, he said. Title is immediately invested in the beneficiary under this option. The two other types of common disaster clause, in which title to the proceeds is suspended for a period of time or in which time to execute proof of death is provided, are not satisfactory. The common disaster clause can be used very nicely under life income settlements, Mr. Monroe said.

The spendthrift clause and the single sum settlement are mutually exclusive. Only the insured can elect a spendthrift clause and it should not be used with the option giving complete right of withdrawal.

It is important to get a trust agreement. Selection of a successor trustee is desirable. A widow may be appointed guardian of the children and have the trustee set aside. If the irrevocable designation is desired, the trustee should be given the right of latitude in judgment.

Care should be used in making assignments. A change of beneficiary cannot be made at the same time that an assignment is made because the assignment is effective immediately when it reaches the home office as of the date designated.

The little things make the difference between a good job and a bad job, Mr. Monroe declared.

## Cincinnati Clinic Takes Up First Principles in Selling

The first of a series of four weekly "Production Clinics" was held in Cincinnati with an attendance of almost 600—larger than at any of the regular annual sales congresses held in that city. Hampton Irwin, educational director of Massachusetts Mutual, conducted the clinic, followed by a luncheon at which Mr. Irwin also spoke.

The consensus was that Mr. Irwin's ideas were exceedingly practical, ranging all the way from a realistic discussion of inflation to specific closing techniques.

### Two Important Precepts

He laid down two fundamental precepts upon which most of his thoughts were based. In the first place, he said everyone is afraid of a physical examination, and the agent must not forget this when he approaches the close. Therefore, anything he does to make the examination more palatable will be just that much gained.

The second basic assumption was that the "prospect never speaks English." For example, in objecting to an interview or refusing to sign an application the prospect almost invariably will say something which, if taken literally by the agent, may have a different meaning from what the prospect has in mind. Mr. Irwin cited the example of an objection to the safety of the agent's company. The prospect might say: "I don't want anything to do with a company that I don't know about." What he really means is: "I like this proposition and I think I will go ahead with it, but I wish you would show me that your company is safe before I buy."

### Reasons Why Prestige Helps

Another interesting point that he made was his explanation of why it is necessary for the agent to build prestige at every step in the sale. He quoted an

eminent psychologist to the effect there are four reasons why a salesman must always be disliked unless he tactfully offsets these reasons by skillful prestige-building and tactful salesmanship. In the first place the agent has to interrupt the prospect—and nobody likes to be interrupted. Second, the salesman has to have specialized knowledge which the prospect doesn't have—and nobody likes to have his ignorance shown up even in regard to technical subjects. Third, the salesman has to ask personal questions, which are always automatically resented when coming from any but our most intimate associates. Fourth, the salesman has to make up the prospect's mind for him when it comes to the time for action. This sort of domination or "leadership" is likewise a rather unpalatable dish.

Only by tact and skill acquired through repeated practice can these resentments be neutralized.

### Luncheon Conference

At the luncheon, Warner C. Wilson, president Cincinnati Association of Life Underwriters, presided. Before introducing Mr. Irwin he gave an excellent summary of the value of association membership.

A large number of industrial men were present at both the clinic and luncheon—the Metropolitan, Prudential and Western & Southern being well represented.

Following Mr. Wilson's remarks, F. J. Blose extended an invitation from the Dayton association to attend the meeting of the Ohio Life Underwriters Association to be held in that city on May 7-9.

Mr. Irwin closed the luncheon conference with a talk on the value of training in these times, emphasizing particularly the present opportunities which make it profitable for every agent to close all the business possible before

any further changes in rates or policies occur.

The next clinic will be held the morning of Feb. 14. R. H. Brandon, director of public welfare of Illinois, will speak on "Why Were Those Boys Sent to Prison?" A question of especial interest will be discussed: "Why do a

man's children suffer more from their father's untimely death in war times than in ordinary times?"

It is expected this session will attract a large crowd, not only because of the eminence of the speaker, but because of the fine presentation of his material by Irwin at the opening clinic.

## New Philosophy of Living Is Affecting Agents' Methods

Complete change in prospecting and selling procedure of many life agents is necessitated by the basic economic and social change that has occurred, brought to a focus and intensified by war, C. O. Fischer, vice-president Massachusetts Mutual Life, declared in a talk at the Saturday Forum in Chicago sponsored by the Chicago Association of Life Underwriters. The transition in the life insurance market is not temporary, he said.

The number of large incomes has been greatly reduced and the tax burden falls most heavily on those remaining in the upper income brackets. Thus their net spendable income available for life insurance has become less.

### Workers Good Prospects Now

Workers in overalls, however, by the thousands are earning good wages, carrying the lighter tax burden, and have surplus which could go for life insurance.

Mr. Fischer estimated of the 1942 national income of at least 100 billions, a net excess of 25 billions will not as usual be able to find outlet in purchase of autos, radios, etc. Even if 10 billions of this should go for defense bonds, 15 billions would remain, compared with the more than 3½ billions received in new and renewal premiums by 305 life companies in this country.

Perpetuation of home solvency is a cardinal principle of life insurance, he said, and Congress scarcely could overlook the need for such solvency to secure national solidarity. After the war the government will not want the financial burden of providing for the widows and orphans, nor maintaining the aged. War risk insurance, social security and the savings elements of defense bonds cannot carry the full load, or even a major part of it. Life insurance is needed.

## Bendiner Urges Selling Tax Cover

Life insurance men should urge payment of inheritance and estate taxes through insurance, instead of permitting their clients to evade such charges through legal loopholes, Irvin Bendiner, Philadelphia, attorney and nationally prominent agent of New York Life, told the advanced underwriting school, sponsored by the Delaware Association of Life Underwriters.

Life insurance, he said, can be sold in two ways, as a commodity, which will undergo many and varied changes in form as the war progresses, or as a service. He described programming as "building insurance properly into the client's estate" through a process of "stimulating the prospect to think out his own approach to his own responsibilities." To the prospect, programming poses two basic questions only: first, "What do you want to do with material things if you live?"; second, "What do you want material things to do in terms of your family if you die?" Mr. Bendiner emphasized the importance of arousing prospects to think these questions through themselves, and cautioned against trying to do their clients' thinking for them.

The agent must have a sound program for himself before attempting to help others construct and carry out their plans. He discussed the arrangement of estate assets to attain program objec-

A new philosophy of living is coming in this country, as it has in Canada—one of living within income and not "keeping up with the Joneses." All expenditures and savings must be kept within that limit, Mr. Fischer said.

"My expenditures for life insurance, like that of the premiums paid by all policyholders, represent cooperation with the government. It helps to retard inflation, and at the same time, it guards against increasing the government burden after the war."

He said a full consciousness and understanding of the new financial philosophy is essential to successful life insurance selling now. Prospects are aware it is vital to economize. To interest them in life insurance it is necessary to convince them it is patriotic to buy it, that the need is greater in these times than normally.

"Trimming must take place in the field of current expenses," he said, "but life men must see that it does not occur in the important field of life insurance."

### Groves Discusses Motivation

B. H. Groves, Chicago manager of Travelers, said, "The prospect buys a policy because he loves someone. He has a number of instincts which motivate him—self-preservation, love and self devotion to mate and offspring, sense of ownership, desire for betterment, fear of the unknown. Man always is afraid of what he does not understand. His sense of ownership is very important now."

"Many agents have mistaken interest of the prospect for desire. Factual presentation or motivation should follow the creating of desire. Emotional desire demands logical justification for action."

H. A. Zischke, manager Union Central, presided.

just taxes, and by discouraging them from taking steps to avoid or evade tax bills. Apparent tax savings so gained are neither certain nor permanent and are at the mercy of future changes in the tax laws, Mr. Bendiner concluded.

He was introduced by L. F. Paret, general agent of Provident Mutual in Camden and Philadelphia, who is celebrating his 50th year in life insurance. W. B. Stormfultz, association president, presided and O. D. Collins, Jr., chairman education committee, was in charge of arrangements.

## Importance of Insurance Shown in Louisiana Survey

NEW ORLEANS—Fifty-two life companies invested and disbursed \$20,000,000 more in Louisiana in 1940 than the total premiums and annuity considerations they collected, according to a New Orleans Association of Commerce survey. Of the 52 companies, 23 wrote in 1940 and have in force 88 percent of the total in the state.

Headed by Fred E. LeLaurin, Aetna Life general agent, the committee which conducted the survey reported that the 52 companies held investments of \$319,299,735 in Louisiana securities, in interstate securities allocated to Louisiana on the basis of property in the state and in U. S. government bonds allocated to Louisiana on the basis of population. This was an increase of \$23,541,055 for the year. Payments to policyholders, beneficiaries, agents and employees of \$27,186,743 in 1940 brought the total investment increase and disbursement to \$50,727,799 during the year, compared to \$29,978,134 in premiums and annuity collections, or a net of \$20,749,665, which the companies disbursed and invested over and above the amount they received in premiums and annuity considerations.

Policyholders and beneficiaries received or were credited with \$21,953,922 in 1940; taxes amounted to \$895,653 and other expenditures, including salaries, commissions and overhead, were \$4,337,166. The 23 companies representing 88 percent of the total business had 895 full time agents in the state, who had an aggregate income of \$2,399,898. In addition there were 353 other licensed agents who received a total of \$201,733 income. The 520 salaried employees received a total income of \$823,485.

## State Farm Companies Hold Claim Convention

The State Farm insurance companies, including State Farm Life held their annual claim conference in Bloomington, Ill. About 250 attorneys and claim men attended.

An insurance forum, with R. P. Mecherle, president State Farm Mutual, presiding, featured G. J. Mecherle, chairman of the board; G. E. Mecherle, secretary; T. F. Campbell, vice-president; G. B. Brown, comptroller; J. H. Parsons, conservation director; A. H. Rust, executive vice-president; A. W. Tompkins, agency vice-president; R. C. Mead, actuary; M. G. Fuller, vice-president State Farm Life, and F. B. Colman, vice-president in charge of claims.

R. J. Bartrum, legal department, talked about "Policy Revision," and Russell Matthias, of Ekern, Meyers & Matthias, Chicago attorneys, spoke on "The Status of Enemy Aliens as Claimants."

A banquet closed the session. Mr. Rust was toastmaster. T. M. Lillard, general counsel Union Pacific Railroad in Kansas, was guest speaker. The State Farm male chorus under Harold D. Saurer presented a concert. G. J. Mecherle, chairman of the company, closed the banquet with an address.

The northern California agency Union Central Life under W. H. Brock, Jr., manager held a one-day sales conference in San Francisco.

## Charges Fischer Ouster Suit Part of Proxy Fight

DES MOINES—Charge that ouster action brought against Commissioner Fischer of Iowa was simply a proxy fight to gain control of American Mutual Life was made at a hearing on a petition for a writ to determine jurisdiction of the case.

Willis O'Brien, attorney for H. J. Burken, Des Moines policyholder, made the charge, claiming that Benjamin Wolf of Richmond Heights, Mo., another policyholder and former employee, was "only interested in controlling proxy votes for an election of the company this June."

"This is not an effort to remove Charles Fischer," O'Brien said. "This is just a campaign to get proxies. Mr. Havner (Horace M. Havner), his attorney, is just a good campaign manager."

### Charges Improper Supervision

Wolf originally filed the charges against Fischer, claiming he had failed properly to supervise American Mutual, with the state executive council and asked for his removal. The council held that only the governor had the power to remove Fischer from office.

The hearing before Municipal Judge Powers was on the petition for the writ to determine the question of whether the council or the governor had the removal power.

Attorney-general Rankin argued that only an Iowa elector can bring impeachment or removal action against a state officer. He called Wolf a trouble-maker.

The attorney for Wolf repeated charges made in the original petition that \$160,000 of company funds went to the personal use of A. H. Hoffman, former president, and George F. Wall, former secretary. He also charged that Mr. Fischer had approved and was a party to the appointment of Hoffman as a special adviser to the investment committee of the company at a salary of \$5,000 after he had been relieved as president.

Havner claimed the \$160,000 was taken through a "secret bank account" which was set up through the accounts of the City of Childhood, an orphanage of the company near Elgin, Ill.

"The record shows that the City of Childhood had been used as a conduit through which the trust funds of this corporation had been taken and misappropriated and unlawfully used," Havner said.

## IN U. S. WAR SERVICE

J. Garland Richardson, Arkansas general agent of Pan-American Life for 12 years, who is a captain in the reserve corps, has reported in Kansas City for duty at the army's recreational center. His office in Little Rock will be closed temporarily and the home office will handle the Arkansas business.

T. G. De Lay of the Rushville, Ind., office of Midland Mutual Life has entered on 12 weeks' training to qualify as an officer in the ordnance department. Lieut. C. A. Robertson of the Marion, O., agency has entered military service at Fort Hayes.

T. D. York, one of the leading producers of the home office agency of Occidental Life in Los Angeles, reported to Ft. Benning, Ga., Feb. 10 as a major of infantry, having been called into service as a reserve officer. He will attend the staff officers school there before being assigned to a permanent command.

In 1941, 62 men from the home office of Aetna Life and affiliated companies and 150 from the field joined the armed services.

Lynn H. Tenne, general agent at El Paso for Republic National Life, led all agents of his company in 1941 with \$887,349.00 written on 510 cases.





All of the women employees of Old Line Life of Milwaukee have registered for Red Cross work and constitute a unit. The picture shows the "Monday group" in action.



Under leadership of Ethelbert Ide Low, board chairman, home office employees of Home Life of New York, rallied to the Treasury Department's call for defense bond purchases. Mr. Low, above, is witnessing one of the first payroll allotment forms as completed by Miss Geraldine Parant (right), policy loan department clerk, while Miss Nina Tozer, tax division clerk, completes the form under the supervision of John H. Evans, manager of the home office sales planning division and representative of the payroll allotment department of the defense savings staff in New York.



New officers of the New York City Life Managers Association: T. W. Foley, State Mutual, secretary-treasurer; H. Arthur Schmidt, New England, president; and J. M. Eisendrath, Guardian Life of New York, vice-president; V. L. Bushnell, second vice-



president Equitable Society, guest speaker at the annual meeting; and W. J. Dunsmore, Equitable Society, retiring vice-president, who conducted the meeting in the absence of the president, K. A. Luther, Aetna Life.

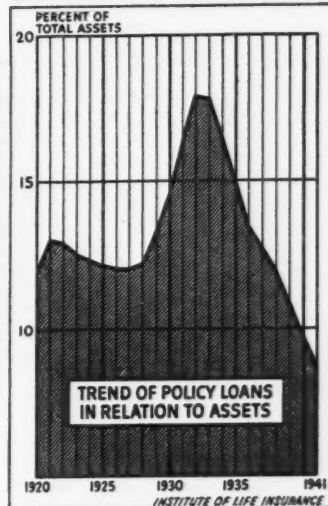


The Davenport, Ia., general agency was one of the 58 agencies which observed the 75th anniversary of Equitable Life of Iowa at special birthday dinners. Newell C. Day, Davenport general agent, was responsible for the idea of having each agency dinner hear transcribed messages from home office executives and the birthday cakes in the shape of the home office building.

Those seated at the head table from left to right are, Ralph Leysen, editor Davenport "Daily Times," P. C. Irwin, assistant actuary Equitable of Iowa, E. W. Schedler, manager Occidental Life; Mr. Day, Mrs. Day, Mrs. W. E. Lowenberg, W. E. Lowenberg, Harold Beighley, manager Retail Credit. The rest are members of the agency and office force. Mr. Schedler spoke on his experiences in the Orient. The Davenport agency was established in 1893 and now has approximately 10,000 policyholders.

# Life Insurance Policy Loans Reduced Sharply in 1941

Life insurance policy loans on Dec. 31 totaled \$2,920,000,000, a decline of \$171,000,000 from 1940, according to the Institute of Life Insurance. The 1941 total is the lowest in relation to assets since 1906. Policy loans now amount to only 9 percent of total assets compared to 10 percent in 1940 and 18.3 percent in 1932, the high point.



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### Address:

Charles J. Mesman, Superintendent of Agencies

## PAN-AMERICAN LIFE INSURANCE COMPANY

New Orleans, U. S. A.

Crawford H. Ellis  
President

Edward G. Simmons  
Executive Vice-Pres.

*It would be a courtesy to THE NATIONAL UNDERWRITER if you will mention the name of this publication when replying to the above advertisement. Pan-American Life Ins. Co.*

## As the Governor Was Saying . . .

Speaking at a recent gathering of business leaders in Richmond, Virginia's ex-Governor James H. Price reminded his hearers that there is more to national defense than the fabrication of planes, tanks, guns, and other instruments of war. It is equally important, he observed, that we keep the home fires burning.

In great measure, Mr. Life Underwriter, that's your mission. Where may one find better fuel for the nation's economic fires than the service you are privileged to render?

## LIFE INSURANCE COMPANY of VIRGINIA

BRADFORD H. WALKER, President

Home Office: RICHMOND



## SUMMARY 55th ANNUAL REPORT 1941

INSURANCE IN FORCE.....	\$632,033,121
<i>(Including Deferred Annuities)</i>	
NEW INSURANCE.....	60,131,339
<i>(Including Deferred Annuities)</i>	
ASSETS.....	205,003,438
INCOME.....	39,447,640
CONTINGENCY RESERVE AND SURPLUS.....	9,601,202

Payments to Policyholders and Beneficiaries since the inception of the Company total \$262,379,614.

THE  
**MANUFACTURERS LIFE**  
INSURANCE COMPANY  
HEAD OFFICE - TORONTO, CANADA  
*Established 1887*



# OPPORTUNITY

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COMMONWEALTH LIFE'S accelerated Extension Program offers attractive incomes and agency possibilities to men who desire unrestrained selling freedom. Commonwealth Life ranks among America's best rated companies. It offers policies to meet every contingency. Make an appointment by return mail. Our Field Representative will meet you in your city. Address your letter to

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